

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
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General Contact Number: 571-272-8500

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Mailed: March 25, 2016

Opposition No. 91220585 (parent case)  
Opposition No. 91220640

Union Craft Brewing Company, LLC  
dba Union Craft Brewing Company

v.

Tower Brew Co., LLC  
dba Sactown Union Brewery

**By the Board:**

These consolidated proceedings are before the Board for consideration of Opposer's November 23, 2015 motion to dismiss Applicant's amended counterclaim to cancel Opposer's pleaded Registration No. 4410239.<sup>1</sup> The motion is fully briefed.

**Analysis**

As previously noted in the Board's September 29, 2015 order, a motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of the allegations set forth in a pleading. To survive a motion to dismiss under Fed. R. Civ. P 12(b)(6), a plaintiff need only allege sufficient factual content that, if proved, would establish that 1) the plaintiff has standing to maintain

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<sup>1</sup> The Board accepts Applicant's certificate of service, included with its October 22, 2015 amended counterclaim, as proof of service of a copy thereof, notwithstanding that it erroneously attests to service of its "Answer to Notice of Opposition." In all future filings, Applicant must include an accurate certificate of service. TBMP § 113.03 (2015).

the proceeding<sup>1</sup>, and 2) a valid ground exists for opposing or cancelling the mark. *Doyle v. Al Johnson's Swedish Restaurant & Butik Inc.*, 101 USPQ2d 1780, 1782 (TTAB 2012), citing *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998). *See also* TBMP § 503.02 (2015). 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, 129 S.Ct. 1937, 1949-50 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). In particular, the claimant 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, 129 S. Ct. at 1949 (citing *Twombly*, 550 U.S. at 555).

As with Applicant's first counterclaim pleading, the amended counterclaim lacks clarity and conflates allegations that are relevant to different grounds for cancellation. Applicant did not create separate headings for the claims, seemingly because Applicant did not seek to separately allege the elements of different grounds. Nonetheless, the Board has reviewed the counterclaim pleading in its entirety, and has determined as follows.<sup>2</sup>

To the extent that Applicant seeks to plead a claim of nonuse of the mark as of the January 9, 2013 filing date of the underlying application based on Trademark Act § 1(a), 15 U.S.C. § 1051(a), Applicant states a claim upon which relief may be granted.

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<sup>2</sup> The Board has thoroughly read and reviewed, but does not set forth herein, and is not required to set forth all of the parties' arguments presented in their respective briefs. *Guess? IP Holder LP v. Knowlux LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015).

Specifically, in ¶ 6, in part, Applicant alleges that as of the January 9, 2013 filing date of its underlying application, Opposer was not using its mark in interstate commerce.<sup>3</sup> *Barbara's Bakery Inc. v. Landesman*, 82 USPQ2d 1283, 1289 (TTAB 2007). *See also* TBMP § 309.03(c)(4) (2015) and cases cited therein.

Turning to the allegations of fraud, a pleading of a claim of fraud on the USPTO in procuring a trademark registration requires allegations that an applicant knowingly made a specific false, material representation of fact in connection with an application, with the intent of obtaining a registration to which it is otherwise not entitled. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1939-40 (Fed. Cir. 2009). Intent is a required element to be pleaded for a fraud claim, but may be alleged generally. Fed. R. Civ. P. 9(b); *DaimlerChrysler Corp. v. American Motors Corp.*, 94 USPQ2d 1086, 1088-89 (TTAB 2010). Pleadings of fraud made “on information and belief,” when there is no accompanying allegation of “specific facts upon which the belief is reasonably based” are insufficient. *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1479 (TTAB 2009).

Here, to the extent that Applicant seeks to plead a claim of fraud on the USPTO, based on an allegation that Opposer made a material statement, in its underlying application, that Opposer was using its mark in commerce as of the date

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<sup>3</sup> Applicant’s allegations in ¶ 6, which pertain to a “Certificate of Label Approval (“COLA”)” and related allegations do not, as set forth, form the basis for a separate claim. The Board construes these specific assertions as setting forth the alleged facts upon which Applicant’s claim of nonuse of the mark in commerce as of the filing date is based. In the context of Applicant’s counterclaim, the existence, applicability and alleged violation of any law that bears on the issue of whether Opposer used its mark is a question of fact.

of first use asserted in its application, and alleges that said statement was false because Opposer made no such use of the mark as of that date, Applicant fails to state a claim. A statement, in an application, of a date of first use of a mark in commerce, even if false, does not form the basis for a claim of fraud on the USPTO and does not constitute fraud on the USPTO. *Hiraga v Arena*, 90 USPQ2d 1102, 1107 (TTAB 2009); *CarX Service Systems, Inc. v. Exxon Corp.*, 215 USPQ 345, 351 (TTAB 1982) (must plead and prove that there was no use prior to filing date; mere claim that dates of use are incorrect does not state a claim of action because misstatement of date of first use in application is not fatal to securing a valid registration as long as there has been valid use of the mark prior to the application filing date).

To the extent that Applicant seeks to plead a claim of fraud on the USPTO, based on an allegation that Opposer made a material statement, in its underlying application, that Opposer was using its mark in commerce as of the January 9, 2013 filing date of the application, and alleges that said statement was false because Opposer made no such use of the mark as of that date, Applicant sufficiently pleads the elements of the claim. Specifically, in ¶ 6-7, Applicant sufficiently alleges that Opposer was not using its mark as of January 9, 2013, that the statement under oath in the underlying application attesting to such use as of that date was false and material to the application, and that the statement was made with the intent to

induce the USPTO to grant the registration.<sup>4</sup> Applicant has pleaded the claim with sufficient particularity as required under Fed. R. Civ. P. 9(b).

### Summary

Opposer's motion to dismiss for failure to state a claim upon which relief may be granted is denied in part and granted in part. Applicant's counterclaim will go forward on the grounds of nonuse of the mark in commerce as of the underlying application filing date, and fraud on the USPTO based on nonuse of the mark in commerce as of the underlying application filing date.

### Schedule

Proceedings are resumed. Opposer is allowed until thirty days from the mailing date of this order to file its answer to the amended counterclaim. Dates are reset as follows:<sup>5</sup>

Deadline for Required Discovery Conference	May 24, 2016
Discovery Opens	May 24, 2016
Initial Disclosures Due	June 23, 2016
Expert Disclosures Due	October 21, 2016
Discovery Closes	November 20, 2016

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<sup>4</sup> In this counterclaim, Applicant does not base its claim solely on an allegation that "Opposer knew or should have known" that its statement was false and material.

Applicant shall take note that any claim of fraud on the USPTO carries a very high burden of proof. Specifically, a party making a fraud claim is under a heavy burden because fraud must be proved by clear and convincing evidence, leaving nothing to speculation, conjecture, or surmise. Any doubt must and will be resolved against the party making the claim. *Bass Pro Trademarks LLC v. Sportsman's Warehouse Inc.*, 89 USPQ2d 1844, 1860 (TTAB 2008), citing *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917, 1926 (TTAB 2006), *Smith International, Inc. v. Olin Corporation*, 209 USPQ 1033, 1043-1044 (TTAB 1981).

<sup>5</sup> If the parties file any motion to suspend or extend dates in this proceeding, the motion must set forth an appropriate proposed new schedule in the same manner as the schedule set forth herein.

Plaintiff's Pretrial Disclosures	January 4, 2017
30-day testimony period for plaintiff's testimony to close	February 18, 2017
Defendant/Counterclaim Plaintiff's Pretrial Disclosures	March 5, 2017
30-day testimony period for defendant and plaintiff in the counterclaim to close	April 19, 2017
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	May 4, 2017
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	June 18, 2017
Counterclaim Plaintiff's Rebuttal Disclosures Due	July 3, 2017
15-day rebuttal period for plaintiff in the counterclaim to close	August 2, 2017
Brief for plaintiff due	October 1, 2017
Brief for defendant and plaintiff in the counterclaim due	October 31, 2017
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	November 30, 2017
Reply brief, if any, for plaintiff in the counterclaim due	December 15, 2017

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.

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