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

Proceeding	91230403
Party	Plaintiff Securrency, Inc.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of:
Trademark Application Serial No. 86/904,230
Filing Date: February 10, 2016
Mark: SECURRENCY

Securrency, Inc.	)	
Opposer,	)	
v.	)	Opposition No. 91230403
Luigi Boschin	)	
Applicant.	)	

OPPOSER'S RESPONSE TO MOTION TO DISMISS

Opposer, Securrency, Inc. ("Opposer") hereby files a response to Applicant Luigi Boschin's Motion to Dismiss. Although Opposer has specified numerous grounds for its opposition, Applicant is seeking to dismiss solely Opposer's claim of fraud on the USPTO. Contrary to Applicant's contentions in his Motion, Opposer has properly pled a claim for fraud.

I. Legal Standard

The Board considers Registrant's motion under the liberal pleading standards of Rules 8 and 12 of the Fed. R. Civ. Pro. TBMP § 503.02. The Board must accept "the assumption that all the allegations in the complaint are true (even if doubtful in fact)." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007).

Regarding the sufficiency of the fraud claim, such a claim requires allegations of a specific false statement of material fact that respondent knowingly made in obtaining the

involved registration with the intent to deceive the USPTO into issuing that registration. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009). Knowledge and intent may be alleged generally. *See* Fed. R. Civ. P. 9(b); *DaimlerChrysler Corp. v. American Motors Corp.*, 94 USPQ2d 1086 (TTAB 2010). In particular, a plaintiff need only allege "enough factual matter ... to suggest that [a claim is plausible]" and "raise a right to relief above the speculative level." *Totes-Isotoner Corp. v. U.S.*, 594 F.3d 1346, 1354 (Fed. Cir. 2010).

II. Opposer Has Claimed Fraud With Particularity

Applicant asserts that Opposer has not properly pled a claim for fraud with particularity since Opposer has based some claims in its Notice of Opposition "upon information and belief." *See Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1479 (TTAB 2009) ("Allegations based **solely** on information and belief raise only the mere possibility that such evidence may be uncovered and do not constitute pleading of fraud with particularity.") (emphasis added). "Pleadings of fraud made 'on information and belief,' **when there is no allegation of "specific facts upon which the belief is reasonably based**" are insufficient. *Id.* (citing *Exergen Corp. v. Wal-Mart Stores Inc.*, 91 USPQ2d 1656, 1670 (Fed. Cir. 2009)) (emphasis added). "Thus, to satisfy Rule 9(b), any allegations based on 'information and belief' must be accompanied by a statement of facts upon which the belief is founded." *Id.*

There are very few—if any—cases where an opposer can allege facts that directly support a party's fraudulent intent. It is rare, for example, for an applicant to admit that he committed fraud. Instead, the complaint needs only "allege sufficient underlying facts from which [the Board] may reasonably infer that a party acted with the requisite state of mind." *Id.* To hold otherwise would create an impossible pleading standard in the TTAB.

In this case Opposer is not merely regurgitating the elements of fraud on "information and belief." Instead, Opposer has pled a factual history of interactions between Applicant and Opposer (¶¶ 23-28)- particularly that the founding members of Opposer decided against entering a joint venture with Applicant, that the founding members of Opposer did not invite Applicant to join in as a member of Opposer, and that Applicant filed the current application in retaliation for these actions. These underlying specific facts properly pled by Opposer is sufficient support for any statements made "upon information and belief" within Opposer's fraud claims. Therefore, Opposer requests that Applicant's Motion to Dismiss the fraud claim based on Rule 9(b) be denied.

III. Opposer Has Properly Pled a Claim For Fraud

Opposer interprets Applicant's Motion to Dismiss as solely a motion to dismiss pursuant to Rule 9(b). However, because Applicant introduced the motion as a motion to dismiss pursuant to section 12(b)(6), Opposer includes the following section to the extent that any part of Applicant's motion is considered by the Board under Section 12(b)(6). In this case, Opposer has properly pled a claim for fraud under three separate instances of fraud- (1) that Applicant claimed to be using the SECURRENCY mark in commerce when he knew he wasn't; (2) that Applicant fabricated a specimen; and (3) that Applicant knew about Opposer's senior rights and did not disclose those rights to the USPTO.

a. Applicant Made Knowingly False Claims That He Was Using the SECURRENCY Mark In Commerce

In order to state a claim for fraud, an Opposer must allege facts supporting the following elements: (1) the applicant made a false representation of fact in connection with applicant's

trademark application; (2) the false representation was material; and (3) the applicant made the false, material representation of fact knowingly. *In re Bose Corporation*, 580 F.3d 1240 (Fed. Cir. 2009).

In this case, Opposer has properly pled that Applicant made a false representation in connection with the trademark application, that the false representation was material, and that Applicant made the false statements knowingly. In this case, Opposer has pled that Applicant was not using the SECURRENCY mark in commerce at the time Applicant submitted his application (¶ 19), that Applicant knowingly stated that it was "using the mark in commerce on or in connection with goods/services in the application" (¶ 29), that Applicant knowingly made the statement that it was using the SECURRENCY mark in commerce when he knew he was not (¶ 31a), and that these statements were made knowingly, fraudulently, and were material statements in obtaining the SECURRENCY registration (¶¶ 32-36). Thus, Opposer has properly pled a claim for fraud for fraudulent statements regarding Applicant's use of the specimen in commerce.

b. Applicant Fraudulently Fabricated a Specimen and Submitted It to the USPTO

Applicant relies on citation to *This Little Piggy Wears Cotton v. Piggy Toes*, 2004 TTAB LEXIS 447, *12-14 (TTAB 2004) for the proposition that the submission of an unacceptable specimen is not a basis for fraud. However, Applicant's citation and understanding of Opposer's claims are misguided. First, the decision cited by the Applicant is plainly marked at the top of the decision with the phrase "THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE TTAB." *See* TTAB Proceeding No. 91159506, Docket No. 9 at p. 1 (July 13, 2004 Decision). Second, assuming that Applicant's citation as proper, the decision is limited and still preserves a

cause of action for fraud where an applicant has fabricated a specimen. *See Id.* at p. 12-13 ("Likewise, opposer does not allege that applicant actually affixed its mark to a product not manufactured by it or on its behalf, so as to fabricate a specimen. Therefore, this is not a case in which the applicant withheld information or material from the Examining Attorney which would have been necessary for the Examining Attorney to determine whether the specimen was sufficient; nor is it a case in which applicant is alleged to have outfoxed the Examining Attorney by fabricating a specimen.") In this case, Opposer has alleged that Applicant fabricated a specimen and submitted it to the USPTO- See Notice of Opposition at ¶¶ 23-37. Opposer has specifically claimed that the founding members of Opposer and Applicant were in discussions to operate a joint venture under the name LiquidBricks (¶ 23), that the founding members of Opposer did not invite Applicant to join in as a founding member of Opposer (¶ 26), and that in retaliation Applicant fabricated a specimen by affixing the SECURRENCY mark to a LiquidBricks property (¶ 31b). Thus, Opposer has properly pled a claim for fraud for the submission of a fraudulently created specimen.

c. Applicant Knew About Opposer's Senior Rights and Did Not Disclose Those Rights to the USPTO

To prevail on a claim for fraud, Opposer must prove that (1) Opposer was the user of the same or a confusingly similar mark at the time the oath was signed; (2) Opposer had legal rights superior to Applicant's rights at the time Applicant signed the applications for registration; (3) Applicant knew that Opposer's rights in the mark were superior to Applicant's and either believed that a likelihood of confusion would result from Applicant's use of its mark or had no basis for believing otherwise; and that (4) Applicant, in failing to disclose these facts to the USPTO, intended to procure a registration to which it was not entitled. *Qualcomm Inc. v. FLO*

Corp., 93 USPQ2d 1768, 1770 (TTAB 2010); *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1205 (TTAB 1997).

Applicant has sufficiently pled a cause of fraud in this case- See Notice of Opposition at ¶¶ 23-37. Applicant has pled that Opposer's SECURRENCY mark is confusingly similar to Applicant's SECURRENCY mark (¶ 11), that Opposer has priority over the use of the SECURRENCY mark (¶ 10), that Applicant knew Opposer's rights were superior in this case (¶ 31c), and that Applicant failed to disclose these facts to obtain a registration to which he is not entitled (¶¶ 32-36). Therefore, Applicant has properly pled a cause of action for fraud for the failure of Applicant to disclose Opposer's senior rights to the USPTO.

IV. Conclusion

In conclusion, Opposer has properly pled a claim for fraud against Applicant. In addition, Opposer has pled the claim with the required level of particularity. Therefore, Opposer requests that Applicant's Motion to Dismiss be denied in its entirety.

Respectfully submitted,

November 28, 2016

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of Opposer's Response to Motion to Dismiss, including all exhibits have been served on the following by delivering said copy via first class mail and via email on this 28th day of November, 2016, at the following addresses:

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