

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Mailed: August 7, 2018

Opposition No. 91238706

Xiang Yin He Chang Tuan Inc.

v.

*Edison Chinese Chorus Inc. AKA Xiang Yin
Chorus or Xiang Yin He Chang Tuan*

By the Trademark Trial and Appeal Board:

This case now comes up for consideration of Applicant's renewed motion (filed April 23, 2018) to dismiss under Fed. R. Civ. P. 12(b)(6) for failure to state a claim.¹ Opposer filed a brief in response thereto.

A motion to dismiss under Rule 12(b)(6) for failure to state a claim upon which relief can be granted is a means of testing the sufficiency of a complaint. *See Order of*

¹ Applicant previously filed a Rule 12(b)(6) motion on February 6, 2018. 5 TTABVUE. After Opposer filed an amended notice of opposition on February 26, 2018 (9 TTABVUE), the Board, in a March 2, 2018 order (10 TTABVUE) deemed that motion moot. In that order, the Board noted that Opposer's first amended notice of opposition was not properly formatted and was more in the nature of a brief. 10 TTABVUE 1. Accordingly, the Board allowed Opposer until March 22, 2018 to file a second amended notice of opposition.

After Opposer failed to comply with the March 2, 2018 order, the Board, on March 29, 2018 (11 TTABVUE) issued an order requiring Opposer to show cause why this proceeding should not be dismissed with prejudice based on Opposer's apparent loss of interest. After Opposer filed a response to the order to show cause (13 TTABVUE) and a second amended notice of opposition (14 TTABVUE), the Board, in an April 10, 2018 order, set aside the order to show cause and set time to answer the second amended notice of opposition. Applicant filed the renewed motion to dismiss in lieu of an answer.

Sons of Italy in America v. Profumi Fratelli Nostra AG, 36 USPQ2d 1221, 1222 (TTAB 1995); TBMP § 503.02. To state a claim upon which relief can be granted, Opposer need only allege such facts which, if proved, would establish that Opposer is entitled to the relief sought; that is, (1) Opposer has standing to bring the proceeding, and (2) a valid statutory ground exists for refusing registration of the mark in the application at issue.² See *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007).

Turning to the issue of standing, the starting point for a standing determination in an opposition proceeding is Trademark Act Section 13(a), 15 U.S.C. Section 1063(a), which provides that “[a]ny person who believes that he would be damaged by the registration of a mark upon the principal register may, upon payment of the prescribed fee, file an opposition in the Patent and Trademark Office, stating the grounds therefor....”³ Section 13(a) establishes a broad class of persons who are proper opposers; by its terms the statute only requires that a person have a belief that he would suffer some kind of damage if the mark is registered. That is, an opposer must have a real interest in the proceeding, i.e., a direct and personal stake in the outcome of the proceeding, and a reasonable basis for a belief of damage. See *Ritchie v.*

² To the extent that Applicant relies upon statements in Opposer’s first amended notice of opposition in support of its renewed motion to dismiss, the first amended notice of opposition is not operative herein.

³ Applicant’s assertion that Opposer must allege “injury-in-fact” is based on *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992), and *Simon v. E. Kentucky Welfare Rights Org.*, 426 U.S. 26, 38 (1976), which deal with standing in Article III courts and are inapplicable to determining standing in Board *inter partes* proceedings. See *Corporacion Habanos SA v. Rodriguez*, 99 USPQ2d 1873, 1875 (TTAB 2011); *Corporacion Habanos S.A. v. Annas Inc.*, 88 USPQ2d 1785, 1790 (TTAB 2008).

Simpson, 170 F.3d 1092, 50 USPQ2d 1023, 1026 (Fed. Cir. 1999); *Universal Oil Prod. Co. v. Rexall Drug & Chem. Co.*, 463 F.2d 1122, 1123, 174 USPQ 458, 459 (CCPA 1972). There is no requirement that actual damage be pleaded and proved to establish standing or to prevail in an opposition proceeding. *See Ritchie*, 50 USPQ2d at 1025. For purposes of ruling on a motion to dismiss for want of standing, the Board must accept as true all well-pled and material allegations of the complaint, and must construe the complaint in favor of the complaining party. *See Jewelers Vigilance Corp. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021, 2022 (Fed. Cir 1987).

In the second amended notice of opposition, Opposer alleges in paragraphs 3 and 6 that it uses the involved marks⁴ in interstate commerce to designate its Chinese choral group and was assigned the involved marks by “Ms. Tan,” who created and owned them and used them prior to Applicant’s alleged first use. These allegations are sufficient to indicate a real interest in the outcome of the proceeding in the outcome of the proceeding and a reasonable basis for a belief of damage from

⁴ Application Serial No. 87566170, filed August 11, 2017, for the mark **鄉音合唱團** for “Entertainment services in the nature of live vocal performances” in International Class 41. The application includes the following description: “The mark consists of the five Chinese characters that transliterate into ‘Xiang Yin He Chang Tuan’ which means ‘chorus of homeland voices.’” The application was filed based on an assertion of use in commerce under Trademark Act Section 1(a), 15 U.S.C. § 1051(a), and alleges October 2, 2004 as the date of first use anywhere and as the date of first use in commerce.

Application Serial No. 87538374, filed July 21, 2017, for the mark **乡音合唱团** for “Entertainment services in the nature of live vocal performances by Chorus” in International Class 41. The application includes the following description: “The mark consists of the five Chinese characters that transliterate into ‘Xiang Yin He Chang Tuan’ which means ‘chorus of homeland voices.’” The application was filed based on an assertion of use in commerce under Trademark Act Section 1(a), 15 U.S.C. § 1051(a), and alleges October 2, 2004 as the date of first use anywhere and as the date of first use in commerce.

registration of the involved marks. Accordingly, the Board finds that Opposer has sufficiently alleged its standing to maintain this proceeding.

With regard to grounds for cancellation at issue herein, Federal Rule of Civil Procedure 8(a)(2) requires that a pleading contain a “short and plain statement of the claim showing that the pleader is entitled to relief.” Rule 8(a)(2) does not require detailed factual allegations, but requires more than labels, conclusions, formulaic recitations of the elements of a cause of action, and naked assertions, i.e., “more than an unadorned, the-defendant-unlawfully-harmed-me accusation.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). Indeed, “a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Id.* (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged. *Ashcroft*, 556 U.S. at 678. The plausibility standard is not akin to a “probability requirement,” but it asks for more than a sheer possibility of the allegations asserted. *Id.* Indeed, a plaintiff need not allege specific facts that would establish a *prima facie* case for the claim(s) asserted. *See Bell Atlantic*, 550 U.S. at 555 (citing *Swierkiewicz v. Sorema N. A.*, 534 U.S. 506, 508 (2002)). In the context of Board *inter partes* proceedings, a plaintiff need only allege enough factual matter to suggest that its claim is plausible and to “raise a right to relief above the speculative level.” *Id.*, 550 U.S. at 555-56. Although the Board, in deciding a Rule 12(b)(6) motion, must accept

as true all factual allegations in the complaint, it is not bound to accept as true a legal conclusion couched as a factual allegation. *Id.* at 555.

The second amended notice of opposition indicates that Opposer intends to allege priority of use,⁵ likelihood of confusion, nonownership, misrepresentation of source, and fraud. To begin with, priority of use is not a separate claim, but is instead an element of a claim under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), based on prior and not abandoned common law use of a mark that is alleged to be likely to be confused with a defendant's mark(s). *See King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974). The priority element of Opposer's Section 2(d) claim is insufficiently pleaded because Opposer has merely alleged prior use in 2002 without alleging any facts from which the Board can infer that such use was not abandoned prior to Applicant's adoption and use of the mark. *See* Trademark Act Sections 2(d) and 45, 15 U.S.C. §§ 1052(d) and 1127.⁶ To the extent that Opposer intends to rely upon its predecessor's creation of the involved

⁵ Priority of use is not a separate claim, but is rather an element of a claim under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), based on prior common law use of a mark that is alleged to be confusingly similar to the defendant's mark(s). *See King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974).

⁶ Because Opposer is not relying upon a registration herein, its Section 2(d) claim must be based on "a mark or trade name previously used in the United States ... and not abandoned." Under Trademark Act Section 45, a mark is deemed to be abandoned where "its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment." All trademark rights are extinguished when a mark becomes abandoned. *See Wallpaper Manufacturers, Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 765, 214 USPQ 327, 335-336 (Fed. Cir. 1982). Abandonment cannot be cured by subsequent readoption of a mark; rather, any readoption would be in the nature of a new first use. *See First Nat'l Bank of Omaha v. Autoteller Sys. Serv. Corp.*, 9 USPQ2d 1740, 1742-43 (TTAB 1988).

mark, trademark rights in the United States are acquired by adoption and use of a mark; creation of a trademark does not create priority rights. *See Hydro-Dynamics Inc. v. George Putnam & Co. Inc.*, 811 F.2d 1470, 1 USPQ2d 1772, 1774 (Fed. Cir. 1987). The Board further notes that courts have held that members of a musical group do not retain rights to use the group's name when they leave the group. *See, e.g., Robi v. Reed*, 173 F.2d 736, 50 USPQ2d 1315, 1317 (9th Cir. 1999), and cases cited therein.

Likewise, the nonownership claim is insufficient because, even the Board assumes that Ms. Tan created and owned the involved marks, filed her own applications to register those marks and never transferred them to Applicant, it does not follow that Applicant did not own the marks when it filed the involved applications and does not own them now. If Ms. Tan abandoned the marks without readopting and resuming use of those marks prior to any assignment to Opposer,⁷ any rights in the mark may have extinguished prior to that assignment and no rights would have transferred to Opposer. *See Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390, 1393 (Fed. Cir. 1990); *Sterling Brewers, Inc. v. Schenley Indus., Inc.*, 169 USPQ 590 (CCPA 1971).

Regarding the intended claim of misrepresentation of source, Opposer has alleged no specific acts by Applicant in the use of the involved mark that, if proven, would amount to an attempt to create the impression that Opposer is the source of

⁷ If Ms. Tan applied to register the involved marks after assigning them to Opposer, she may not be a proper applicant. *See* Trademark Act Section 1(a), 15 U.S.C. § 1051(a); *MarCon Ltd. v. Avon Products Inc.*, 4 USPQ2d 1474, 1477 (TTAB 1987) (only the owner may register a trademark).

Applicant's services, only willful adoption of the involved mark alleged to be previously used by Opposer. *See McDonnell Douglas Corp. v. Nat'l Data Corp.*, 228 USPQ 45, 47 (TTAB 1985). Likewise, Opposer's fraud is insufficient because it alleges only false statements of material fact,⁸ with no facts from which the Board can infer deceptive intent, as opposed to a mistaken belief. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1940 (Fed. Cir. 2009); *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1479 (TTAB 2009).

Based on the foregoing, the Board finds that Opposer has failed to state a claim upon which relief can be granted. In view thereof, Applicant's renewed Rule 12(b)(6) motion is hereby granted. In keeping with Board practice, Opposer is allowed until thirty days from the mailing date set forth in this order to file a third amended notice of opposition, failing which this opposition will be dismissed. Proceedings herein otherwise remain suspended.

⁸ To the extent that Opposer seeks to allege fraud based on false dates of use, dates of use cannot be a basis for a fraud claim so long as the mark at issue was in use in commerce when the use-based application was filed. *See Hiraga v. Arena*, 90 USPQ2d 1102, 1107 (TTAB 2009). To the extent that Opposer alleges fraud based on false allegations of ownership in the involved applications, Opposer would be required to establish both nonownership and deceptive intent.