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

Proceeding	91246161
Party	Defendant Gibson Brands, Inc.
Correspondence Address	ANDREA E BATES BATES & BATES LLC 1890 MARIETTA BLVD NW ATLANTA, GA 30318 UNITED STATES abates@bates-bates.com, jsteed@bates-bates.com 404-228-7439
Submission	Other Motions/Papers
Filer's Name	Andrea E. Bates
Filer's email	abates@bates-bates.com, kdawson@bates-bates.com, rberkow-itz@bates-bates.com, ckoerner@bates-bates.com
Signature	/Andrea E. Bates/
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connection with “organizing and conducting charity auctions for charitable fundraising purposes” in Class 35 (“Applicant’s Services”). On February 6, 2018, Applicant filed the Application. Opposer filed the Opposition on January 30, 2019 alleging *inter alia*, that 1) Applicant has not used LES PAUL in commerce; 2) Applicant is not the owner of LES PAUL for use with Applicant’s Services; 3) Applicant has abandoned the Application; 4) a likelihood of confusion exists between Opposer’s and Applicant’s LES PAUL marks; and 5) Applicant has committed fraud on the USPTO. Opposer’s claims are insufficiently pled for the reasons set forth herein, so the Board should strike these claims and grant this motion.

Rule 12(b)(6) of the Federal Rules of Civil Procedure authorizes the Board to dismiss a claim if a plaintiff fails to state a claim upon which relief can be granted. Fed. R. Civ. P. 12(b)(6); TBMP 503.01. A motion to dismiss under Fed. R. Civ. P. 12(b)(6) is a test of the sufficiency of the complaint. *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *Covidien LP v. Masimo Corp.*, 109 USPQ2d 1696, 1697 (TTAB 2014). To survive a motion to dismiss, a plaintiff must allege sufficient factual content that, if proved, would allow the Board to conclude, or to draw a reasonable inference, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for denying the registration sought or for cancelling the involved registration. *See 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 Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982).

Detailed factual allegations are not necessary, but a complaint requires more than labels, conclusions, formulaic recitations of the elements of a cause of action, and naked assertions. *See 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.* Here, Opposer’s non-use, non-ownership, fraud, likelihood of confusion, and abandonment claims are insufficiently pled and should be dismissed.

A. Opposer’s non-use allegation does not state a claim upon which relief can be granted.

The Board should dismiss Opposer’s non-use claim because it fails to state a claim for which relief can be granted. The use in commerce requirement is met for service marks when a mark is “used or displayed in the sale or advertising of services” and the services are “rendered in commerce.” Trademark Act Sec. 45, 15 U.S.C. § 1127; *Aycock Eng’g, Inc. v. Airflite, Inc.*, 560 F.3d 1350, 90 USPQ2d 1301, 1305 (Fed. Cir. 2009). As mentioned *supra*, a plaintiff must plead factual content that allows the court to draw the reasonable inference that the defendant has not satisfied the use in commerce requirement. *Ashcroft*, 556 U.S. at 678.

Opposer has failed to satisfy that burden because Applicant clearly used the mark in connection with Applicant’s Services. Applicant filed the Application on February 8, 2018 and submitted specimens showing the applied-for mark used in connection with “[o]rganizing and conducting charity auctions for charitable fundraising purposes” in Class 35. The definition of the transitive verb “organize” is “to arrange by systematic planning and united effort.”¹ The definition of the transitive verb “conduct” is “to direct or take part in the operation or management of” and “to lead from a position of command.”² Opposer’s Non-Use claim at Amended Opposition ¶¶ 37-40 is built on the flawed premise that the inclusion of a third-party to affect a charity auction somehow leads to the conclusion that Gibson did not use its trademark.

¹ “Organize.” The Merriam-Webster.com Dictionary, Merriam-Webster Inc., <https://www.merriam-webster.com/dictionary/organize>. Accessed 24 November 2019.

² “Conduct.” *The Merriam-Webster.com Dictionary*, Merriam-Webster Inc., <https://www.merriam-webster.com/dictionary/conduct>. Accessed 24 November 2019.

The specimen shows that Gibson “organized” a charity auction, since: 1) by systematic planning, Gibson supplied a guitar to an artist, then by the united effort of the artist and Gibson, the guitar was returned to Gibson for finishing; and 2) through the further planning of selecting a third-party auctioneer and by united efforts of Gibson supplying a finished guitar to that auctioneer for final sale, the auction was completed. The specimen shows that Gibson “conducted” a charity auction: in directing the management of, and leading from a position of command, by partnering with Mecum to carry out the final steps of the auction. Therefore, it is abundantly clear that the specimens show Applicant’s LES PAUL mark used in commerce. Thus the use requirement for registering a trademark is satisfied, and Opposer cannot state a claim for relief. Because Opposer’s non-use claim fails to state a claim for which relief can be granted, the Board should dismiss Opposer’s non-use claim.

B. Opposer’s non-ownership allegation does not state a claim upon which relief can be granted.

Dismissal of Opposer’s request is also warranted because the non-ownership allegation fails to state a claim. Opposer cannot allege any set of factual circumstances under which Applicant is not an owner of LES PAUL used with Applicant’s Services. As an initial matter, ownership of a trademark occurs by one of two methods: 1) affixing a mark to goods/using it in commerce or 2) through a written assignment of a mark pursuant to 15 USC § 1060. *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 36 S.Ct. 357, 60 L.Ed. 713 (1916) (“It is an axiomatic principle of trademark law that priority in adoption and actual use of a name of designation, as a trademark, is the essential criterion upon which ownership is based.”) In establishing ownership of a trademark, “it is a basic tenet that trademark ownership depends on whether a party had both actual and first use of the mark.” *See, e.g., Gen. Bus. Servs., Inc. v. Rouse*, 495 F. Supp. 526, 533 (E.D. Pa. 1980). It is priority of trademark use, in commerce, that confers ownership upon the user. *Id.* “Use” is defined as affixing the trademark to the goods, and selling or transporting the marked goods in commerce. *In re N.Y. City Shoes, Inc.*, 84 B.R. 947, 955 (Bankr. E.D. Pa. 1988). Under the Lanham Act, the relevant time period for construing

ownership of a trademark is the date of filing an application. 15 U.S.C. §1052(d); *Wonderbread* 5, 115 U.S.P.Q.2d 1296 (T.T.A.B. June 30, 2015). In order to determine ownership of the mark, the Board analyzes whether Respondents assert control over the nature and quality of the services rendered under the mark. *See In re Deister Concentrator Co.*, 289 F.2d 496, 129 USPQ 314, 320 n.5 (CCPA 1961) (“To say one has a ‘trademark’ implies ownership and ownership implies the right to exclude others.”); *see also* 2 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* § 16:35 (4th ed. June 2017 update). *Platinum Vibes Productions v. Fernandez Ware And Fernandez Parra* Cancellation No. 9206234, 2017 WL 4404706, at *3 (Oct. 2, 2017). Under this well-established law, it is clear that Applicant owns LES PAUL for use with Applicant’s Services.

The Amended Opposition makes a claim of non-ownership based the allegation that Gibson did not own LES PAUL at the time of first use at ¶¶50-54 and that the Estate has priority of use ¶¶20-27. As discussed *supra* in Section II.A., the specimens submitted with the Application show Applicant’s LES PAUL mark used in commerce. This use in commerce shows that Applicant is the owner of LES PAUL used in connection with Applicant’s Services. Opposer’s non-ownership fails because the alleged facts do not state a claim upon which relief can be granted. Opposer alleges that because Applicant’s first use of LES PAUL with Applicant’s Services occurred in 2005, and Mr. Paul did not provide consent therefor, that Applicant does not own LES PAUL used with Applicant’s Services. As is clear from the Lanham Act and Board decisions, the correct date for construing ownership is the date of application. Applicant filed the Application in 2018, not 2005. Accordingly, any facts alleged by Opposer relating to 2005 with respect to ownership are irrelevant. Regarding the allegation that the Estate has priority of use, the Amended Opposition does not allege sufficient factual content to provide Applicant with notice to defend the claim. The Amended Opposition alleges that “prior to his passing on August 12, 2009” Les Paul used LES PAUL with Opposer’s Services. From 1915 to 2009 is a time period of approximately 94 years. Without alleging a date certain (or window of time more narrow than 94 years), Opposer does not provide Applicant with notice to defend the claim. Essentially, without alleging a date on which

Opposer began use of its services, Applicant has no basis on which it can form a defense. For these reasons, the Board should dismiss Opposer's non-ownership claim.

C. Opposer has not adequately pled a claim for Abandonment.

Opposer's abandonment claim is unsupported by sufficient facts, so the Board should dismiss the claim. To adequately plead a claim for abandonment due to non-use, a plaintiff must recite ultimate facts which, if proven, would establish at least three consecutive years of nonuse, or alternatively, a period of nonuse less than three years coupled with proof of intent not to resume use. *Meat-Companion Co., Ltd.*, Cancellation 9206417, 2017 WL 3718337, at *2 (Mar. 27, 2017) (citing *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990); *Dragon Bleu (SARL) v. VENM, LLC*, 112 USPQ2d 1925, 1930 (TTAB 2014)). Attempting to plead naked assertions rather than ultimate facts to serve as the basis for such a claim are insufficient and result in dismissal of plaintiff's claim. *Id.* To state a claim of abandonment pursuant to section 14(3), Opposer must have alleged facts, which, if proved, would be sufficient to state claims that: 1) Applicant ceased to use the Application with no intent to resume; 2) Applicant ceased to use the Application on at least some portion of the goods associated with the Application; 3) Applicant does not currently use the Application on any of the goods associated with the Application; 4) Applicant has not used the Application on some portion of the goods associated therewith for three consecutive years; and 5) Applicant has not used the Application on any of its associated goods for three consecutive years.

Opposer cannot state a claim for relief under 15 U.S.C. § 1064 (section 14(3)) of the Trademark Act based on Applicant's alleged abandonment of the Application. Applicant's attempts to state a claim alleging Applicant's abandonment of the Application are without merit. None of Opposer's allegations include any ultimate facts on which it could rely to reach such legal conclusions. In fact, Opposer's claims are nothing more than naked assertions thinly-disguised as legal conclusions. Surely this is not sufficient. Opposer's pleading plainly falls short of the legal standard set forth by FRCP 12(b)(6), the *Bell Atlantic* and *Ashcroft* cases, and other cases the Board has decided and should be dismissed.

D. Opposer has not adequately pled a claim for likelihood of confusion.

The Board should dismiss the Amended Opposition because Opposer fails to adequately plead a claim for likelihood of confusion. Opposer's allegations simply lack the required factual content to provide Applicant with notice to defend the claim. Opposer admits in its Response that it must "plead that it has senior trademark rights." Response at 10. As discussed *supra* in Section II.B., The Estate has not alleged a date (or window of time more narrow than 94 years), on which it establishes its priority of use. Without this crucial fact, Opposer's claim is inadequately pled for lack of factual matter. Accordingly, the claim should be dismissed, and the Board should grant Applicant's motion.

E. Opposer has not adequately pled a claim for fraud.

Finally, the Board should dismiss the Amended Opposition because Opposer fails to adequately plead a claim for fraud. Courts disfavor a claim of fraud in the procurement of a trademark registration. *eCash Technologies, Inc. v. Guagliardo*, 127 F.Supp.2d 1069, 1079 (C.D. Cal. 2000). To prevail on its fraud claim, Opposer must show, by clear and convincing evidence, that Applicant: 1) knowingly made a false, material representation; and 2) made such statement with the intent to deceive the USPTO. *In re Bose Corp.*, 580 F.3d 1240, 1243-44 (Fed. Cir. 2009); *see also* 15 U.S.C. § 1064(3) (stating a registered mark can be cancelled if the registration was obtained fraudulently). The fact that a statement may be false will not constitute a fraud unless it can be shown that the applicant or registrant had the requisite willful intent to deceive. *Bose*, 580 F.3d at 1246. Opposer must plead a fraud claim with particularity and the pleadings must contain explicit expression of the circumstances constituting fraud. *Asian & W. Classics B.V. v. Selkow*, 92 U.S.P.Q.2d 1478, 2009 WL 3678263, at *3 (TTAB 2009). Specifically, pleadings of fraud without a specific allegation of facts upon which the allegations are based are insufficient. *Id.* at *1. Moreover, a pleading of fraud requires an allegation of intent, and such allegation must "allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind." *Id.* at *2. Here, Opposer's Amended Opposition fails to

adequately allege Applicant made a false material representation or statement or had the requisite state of mind.

1. Opposer fails to plead Applicant made a knowingly false material representation or statement.

Opposer has failed to plead sufficient factual content to support its allegations. Opposer's allegations are noticed in the Amended Opposition at ¶¶ 67-82. Opposer's allegations are mere speculation and conjecture, with no underlying, supportive, or ultimate facts to support Opposer's fraud allegations. Opposer asserts that Applicant's consent statement was false. The consent statement was based on the 1977 Agreement to which Opposer refers in the Amended Opposition at ¶¶ 4-7. Opposer may disagree as to whether the 1977 Agreement grants Applicant the right to pursue the Application (which it does). The mere fact that Opposer disagrees with interpretation of an agreement does not mean that Applicant committed a falsehood by submitting the 1977 Agreement, therefore it cannot be reasonably concluded that Applicant knowingly made a false material representation by submitting the 1977 Agreement with the consent statement. Allowing Opposer's baseless contentions to move forward would force **every** trademark owner to defend its trademark against any third party determined to harass the trademark owner with a speculative fraud claim. For good reason, this is simply not the law. *See Ashcroft*, 556 U.S. 662 and *Twombly*, 550 U.S. 544. Opposer has failed to plead sufficient factual content to support this allegation.

2. Opposer fails to plead Applicant intended to deceive the USPTO.

A fraud pleading requires an allegation of intent, supported by facts upon which a court can reasonably infer a party acted with the requisite state of mind. The Federal Circuit has made it clear that "absent the requisite intent to mislead the PTO, even a material misrepresentation would not qualify as fraud under the Lanham Act warranting cancellation." *Bose*, 580 F.3d at 1243. "Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis." *Id.* at 1245. "Mere negligence is not sufficient to infer fraud or dishonesty." *Id.* at 1244.

Opposer's claims are woefully inadequate in establishing Applicant's subjective intent to deceive the USPTO. Opposer's fraud pleading asserts 1) Applicant was not using and knew it was not using LES PAUL with Applicant's Services; 2) that Applicant made false statements (including by submission of 1977 Agreement with the consent statement) to the USPTO to procure a registration for LES PAUL; and 3) as a result Applicant committed fraud on the USPTO. Amended Opposition at ¶¶ 67-82. Conspicuously absent from Opposer's fraud pleading are any facts that might provide the Board insight as to Applicant's state of mind. Opposer provides only conclusory statements (to the contrary of all reason) that Applicant does not own its mark, has not used the mark in commerce, has lied to the USPTO, and therefore Applicant has committed fraud on the USPTO. Opposer's attempt to parade allegations of fraud as legal conclusions cannot be sanctioned. Therefore, Opposer's fraud claim should be dismissed.

III. CONCLUSION

For the foregoing reasons, Applicant respectfully requests that the Board dismiss the entirety of Opposer's claims (and therefore the Amended Opposition) for failing to state a claim upon which relief can be granted. Respectfully submitted this 25th day of November 2019.

Bates & Bates, LLC

/Andrea E. Bates/_____
Andrea E. Bates
1890 Marietta Blvd NW
Atlanta, Georgia 30318
Attorneys for Applicant
Gibson Brands, Inc.
Phone: (404) 228-7439
Email: abates@bates-bates.com

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that a true and correct copy of the foregoing Response to Opposer's Motion To Amend Notice of Opposition has been served, via email, on the 25th day of November 2019 to:

Daniel E. Kattman
Heidi R. Thole
Jeunesse Rutledge
REINHART BOERNER VAN DEUREN SC
1000 N Water St, Ste 2100
Milwaukee, WI 53202-6648
tadmin@reinhardtllaw.com

/ Andrea E. Bates /
ANDREA E. BATES