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

Proceeding	91251518
Party	Defendant HFIN One, LLC
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Attachments	First Amended Answer and Counterclaim - Eleven.PDF(213589 bytes)

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

Opposition No. 91251518
Re: Application Serial No. 88188174

ELEVEN IP HOLDINGS, LLC	:	
	:	
OPPOSER/ COUNTERCLAIM RESPONDENT	:	
	:	
V.	:	
	:	
HFIN ONE, LLC	:	
	:	
APPLICANT/ COUNTERCLAIMANT	:	
	:	

FIRST AMENDED ANSWER, AFFIRMATIVE DEFENSES, AND COUNTERCLAIM

Applicant, HFIN One, LLC (“Applicant”), answers the Notice of Opposition, as follows, with each numbered paragraph corresponding to the numbered paragraphs in Opposer’s Notice of Opposition:

1. Applicant is without knowledge or information concerning the allegations of this paragraph of the Notice of Opposition, and so denies the same.

2. Applicant is without knowledge or information concerning the allegations of this paragraph of the Notice of Opposition, and so denies the same. Applicant further responds that the registration alleged in this paragraph of the Notice of Opposition was secured through the commission of fraud on the U.S. Patent and Trademark Office, as further set forth in Applicant’s Counterclaim, *infra*.

3. Applicant is without knowledge or information concerning the allegations of this paragraph of the Notice of Opposition, and so denies the same. Applicant also notes, however,

that this application has now proceeded to registration on October 15, 2019, as Registration No. 5885688, but was also secured through Opposer's commission of fraud on the U.S. Patent and Trademark Office, as further set forth in Applicant's counterclaim, *infra*.

4. Applicant is without knowledge or information concerning the allegations of this paragraph of the Notice of Opposition, and so denies the same. Applicant notes, however, that the goods and services identified in such alleged registrations bear no relationship whatsoever to the services identified in Applicant's application herein opposed. By way of representative example, such registrations identify services such as "rental of homes," "travel agency services," "yacht and boat charter services," and arranging and conducting skiing, back country skiing, and similar travel.

5. Applicant is without knowledge or information concerning the allegations of this paragraph of the Notice of Opposition, and so denies the same.

6. Applicant is without knowledge or information concerning the allegations of this paragraph of the Notice of Opposition, and so denies the same. Applicant additionally responds that Opposer only very recently populated the website at www.elevencapitalmanagement.com with content. At the time that Opposer filed its Statement of Use, the website content consisted of primarily text and imagery about Opposer's hospitality and travel services, content and imagery on the asset management and technology pages that was rudimentary, including an image of an empty Apple desk monitor, links to Opposer's "Technology" page that mistakenly pointed to its "Property" page, and a link to Jetson Systems (software Opposer says it acquired in 2010) that pointed to a page that said "coming soon" – all of which casts doubt on the allegations in this paragraph of the Notice of Opposition.

7. Applicant is without knowledge or information concerning the allegations of this paragraph of the Notice of Opposition, and so denies the same. Applicant further responds that Opposer's claim that its marks are "famous" within the definition of Section 43(c) is highly dubious – or even frivolous. A "famous mark" is a mark that is widely known among the general consuming public, *e.g.*, "Google," "Walmart," "Nike," etc. More specifically, with respect to the alleged "ELEVEN" and "11 (and Design)" marks only recently registered by Opposer, Opposer alleges that its first use in commerce of these marks was on August 9, 2019, so it would be essentially impossible for those marks to have achieved fame in the two months prior to the filing of the Notice of Opposition.

8. Admitted.

9. Applicant denies the allegations of this paragraph of the Notice of Opposition to the extent this allegation contains legal argument concerning Opposer's alleged "priority." Moreover, to the extent Opposer committed fraud on the U.S. Patent and Trademark Office in obtaining its only registrations that identify financial services of any kind and the registrations are likely to be cancelled, Opposer is unlikely to be able to establish priority over Applicant's application, as further discussed in Applicant's Counterclaim, *infra*.

10. Denied. Applicant further responds that Opposer is unlikely to establish ownership of a "valid" trademark for any financial services and, moreover, the services identified in Applicant's application are entirely distinct from Opposer's alleged products and services.

11. Denied. Applicant further responds that Applicant's services are entirely dissimilar from Opposer's alleged products and services. Applicant's services consist of marketing, investor relations and customer engagement software for *businesses*, namely hedge

fund companies, private equity companies, and companies servicing companies such as hedge fund companies and private equity companies. In contrast to Applicant’s “business-to-business” (B2B) customer engagement technology solutions, Opposer provides services to customers – “ultra-high net worth individuals” in a B2C model. Furthermore, unlike Opposer, Applicant explicitly does not provide “wealth management,” “investment banking” or “financial services.” Even further, Opposer’s financial services consisting of “wealth management and investment banking services” cannot be legitimately offered without appropriate registration with a relevant securities regulator (*e.g.*, U.S. Securities and Exchange Commission, Financial Industry Regulatory Authority, Commodity Futures Trading Commission). After a reasonable investigation, Applicant has found that Opposer is not registered with any securities regulators, nor has any application for such registration been filed as of the date hereof, effectively precluding Opposer from providing the alleged services. Applicant, on the other hand, provides no services that require a registration with any securities regulator, nor does it intend to do so in the future. Further, even if Opposer decides to provide such services in the future upon appropriate registration, such activity cannot be confused with the technology provided by Applicant that serves a different purpose in a different market.

12. Denied. Applicant further responds that it would be highly unusual for a provider of travel related services such as those identified in Opposer’s travel-related trademark registrations to offer “banking services,” “wealth management services,” or “investment banking services,” as these types of services are highly specialized and closely regulated in the United States.

13. Denied. For the reasons discussed, *supra*, this is entirely untrue.

14. Applicant is without knowledge or information concerning the allegations of this paragraph of the Notice of Opposition, and so denies the same. Applicant further responds that the determination of whether Opposer's alleged mark has become "famous" is a legal conclusion and the burden rests on Opposer to establish whether its alleged mark has become "famous." Further, see Applicant's answer to Paragraph 7 of the Notice of Opposition.

15. Applicant is without knowledge or information concerning the allegations of this paragraph of the Notice of Opposition, and so denies the same. Applicant further responds that the determination of whether Opposer's alleged mark has become "famous" is a legal conclusion and the burden rests on Opposer to establish whether its alleged mark has become "famous."

16. Denied.

AFFIRMATIVE DEFENSES

By way of further answer and affirmative defenses, Applicant alleges as follows:

1. Opposer has failed to state a claim or valid basis for opposition to Applicant's mark upon which relief may be granted.

2. Opposer's alleged "ELEVEN" and "11" marks are weak trademarks, if they are enforceable as trademarks at all.

3. Opposer's alleged "ELEVEN" and "11" marks are not famous.

4. Opposer obtained one or more of its trademark registrations alleged in the Notice of Opposition through the commission of fraud on the U.S. Patent and Trademark Office.

5. Opposer has unclean hands due to its procurement of one or more of its trademark registrations alleged in the Notice of Opposition through the commission of fraud on the U.S. Patent and Trademark Office.

6. Applicant will assert any and all other valid defenses which may be available or developed through discovery and/or the testimony periods in this proceeding.

**FIRST AMENDED COUNTERCLAIM FOR CANCELLATION OF
U.S. REGISTRATION NOS. 5868718 and 5885688**

1. This is a Counterclaim for cancellation of Opposer's Registration Nos. 5868718 and 5885688 on the basis that the registrations were obtained through the commission of fraud on the U.S. Patent and Trademark Office, as further outlined *infra*.

2. Applicant, a limited liability company organized and existing under the laws of Delaware, with its principal place of business at 20 W 45th Street, 15th Floor New York, New York 10036, believes it will be damaged by the continued registration of Opposer's registration Nos. 5868718 and 5885688, issued September 24, 2019 and October 14, 2019, respectively, for "Banking and financial services; Financial services, namely, wealth management services; Investment banking services."

3. Applicant provides online software tools, behavioral insights, and customer-journey workflows that enable financial institutions such as hedge funds, private equity funds, and financial intermediaries to build more secure and engaged communities of clients.

4. Applicant owns pending application Serial No. 88188174 for the mark "ELEVEN" for its services in International Class 42.

5. Opposer has opposed the registration of Applicant's aforementioned application based, in part, upon its ownership of Registration No. 5868718, issued September 24, 2019 for the mark "ELEVEN" and its pending application for "11 (and Design)," application Serial No. 87005887, which recently matured to registration on October 15, 2019 as Reg. No. 5885688.

6. Opposer's application that matured to Registration No. 5868718 was originally filed on April 19, 2016 as an intent to use application under Section 1(b), *i.e.*, based upon Opposer's bona fide intent to use the mark in commerce.

7. Similarly, Opposer's application that matured to Registration No. 5,885,688 was originally filed on April 19, 2016 as an intent to use application under Section 1(b).

8. The Notice of Allowance for the application that matured to Registration No. 5868718 issued on August 16, 2016, and prior to filing a Statement of Use for the "ELEVEN" mark on August 14, 2019 (two days before the absolute deadline for filing a Statement of Use for the mark), Opposer, filed the maximum number of requests, *i.e.*, five, for extensions of time to file a Statement of Use for the mark.

9. Similarly, the Notice of Allowance for the application that matured to Registration No. 5885688 issued on September 6, 2016, and prior to filing a Statement of Use for the "11 (and Design)" trademark on September 4, 2019 (again, two days before the absolute deadline for filing a Statement of Use for the mark), Opposer filed the maximum number of requests for extensions of time to file a Statement of Use for the mark.

10. Opposer's alleged date of first use in commerce for both its "ELEVEN" trademark in U.S. Registration No. 5868718, and its "11 (and Design)" trademark in Registration No. 5885688 is August 9, 2019.

11. Other than Opposer's Registration Nos. 5868718 and 5885688, Opposer does not own any trademark registrations for the mark "ELEVEN" or "11" for "Banking and financing services," "Financial services, namely, wealth management services," or "Investment banking services" – or for financial services of any kind. Instead, all of the other trademark registrations owned by Opposer that consist or comprise of the mark "ELEVEN" or "11" identify services in the hospitality and travel industry, as shown in Exhibit C to Opposer's Notice of Opposition, *e.g.*, Reg. No. 5159068 for "ELEVENTH" for "yacht and boat charter services."

12. On August 14, 2019, prior to securing Registration No. 5868718, Opposer filed its Statement of Use for its “ELEVEN” trademark alleging use of the mark in commerce for all of the services identified in the application, namely, “Banking and financing services; Financial services, namely, wealth management services; Investment banking services” since at least as early as August 9, 2019.

13. On September 4, 2019, prior to securing Registration No. 5885688, Opposer filed its Statement of Use for its “11 (and Design)” trademark alleging use of the mark in commerce for all of the services identified in the application, namely, “Banking and financing services; Financial services, namely, wealth management services; Investment banking services” since at least as early as August 9, 2019.

14. The specimen submitted with Opposer’s Statements of Use on August 14, 2019 and September 4, 2019 constituted a printout of Opposer’s website at the URL www.elevencapitalmanagement.com.

15. Based upon Applicant’s thorough investigation into Opposer’s business, its lack of compliance with regulations issued by the Financial Conduct Authority (“FCA”) in the United Kingdom and the Securities Exchange Commission (“SEC”) in the United States, and through a review of Opposer’s website that constituted the specimen of use for Opposer’s Statements of Use filed on August 14, 2019 and September 4, 2019, and notwithstanding that the allegations contained in the Statements of Use that were made under 18 U.S.C. § 1001 (stating that “willful false statements and the like may jeopardize the validity of the application or submission or any registration resulting therefrom”), Opposer has never used in commerce its alleged “ELEVEN” or “11 (and Design)” trademarks with any of the following services, at a minimum: “Banking services and financing services” and “Investment banking services.”

16. The United States financial industry is one of the most heavily regulated in the world, with multiple specialized and focused regulators.

17. The U.S. Investment Advisers Act of 1940 (“Advisers Act”) requires all money managers, investment consultants, and financial planners to be regulated by the SEC, and investment advisers are required to be registered with the SEC but for a series of exceptions which, upon reasonable investigation, do not apply to Opposer. Even if an exception applies, the adviser is still required to be registered with its individual state securities regulator.

18. Section 202(a)(11) of the Advisers Act defines an investment adviser as any person or firm that is “engaged for compensation in the business of providing advice to others ... regarding securities.”

19. A company providing investment banking services is required to register under the Securities and Exchange Act of 1934 (“Exchange Act”).

20. Applicant conducted a search of the public databases of the SEC for various iterations of Opposer’s business name, and Opposer is not registered with the SEC. Applicant conducted the same search through a public database of all advisors registered with state securities regulators. Opposer is not registered with any state securities regulators.

21. In the United Kingdom, activities such as wealth management and investment banking are regulated by the FCA, and entities engaged in such services are required to be registered with the FCA.

22. FCA’s Regulated Activities Order of 2001 lists the activities requiring authorization by the FCA (<https://www.fca.org/firms/authorisation/how-to-apply/activities>). This list includes, *inter alia*, advising on investments, dealing in investments as agent, dealing in

investments as principal, providing basic advice on stakeholder products, and managing investments.

23. Applicant conducted a search of the FCA's public database for various iterations of Opposer's business name, and Opposer is not registered with the FCA.

24. Since Opposer is not registered with the SEC or FCA, if Opposer is indeed providing such services, they are doing it in violation of multiple securities laws, both in the United States and in the United Kingdom. Furthermore, holding oneself out to the public as providing such services, *inter alia*, via Opposer's public website www.elevencapitalmanagement.com is a clear violation of the Advisers Act. Notwithstanding these regulations and requirements, Opposer stated the following at its newly launched website regarding its "financial services" offerings:

Eleven has now grown to a collection of best in class Asset Managers and Family Office Professionals, and provides key financial services including wealth management and investment banking. Armed with our own powerful Personal Life Manager (PLM) software, our financial and wealth management services also organize, simplify, and provide transparency for our clients.

25. At the time Opposer filed its Statements of Use for "ELEVEN" on August 14, 2019 and "11 (and Design)" on September 4, 2019, Opposer was not using the trademarks in commerce, as is falsely alleged, in connection with all of the services included within the Statements of Use and knew that it was not using the marks with all of the services for which it alleged commercial use in the Statements of Use. Instead, Opposer concocted a phony website and filed the Statements of Use for the purpose of avoiding the abandonment of the applications and so that the registrations could be used as a basis for opposing Applicant's application.

26. The content at the website www.elevencapitalmanagement.com was placed there solely for the purpose of Opposer being able to file the Statements of Use for the marks that matured to Registration Nos. 5868718 and 5885688 because Opposer's final, non-extensible deadlines for doing so were August 16, 2019 and September 6, 2019, respectively. As evidence of this fact, there was no content at the URL www.elevencapitalmanagement.com as recently as June, 2019, and the website was temporarily taken down at the end of April and beginning of May in 2020.

27. Based upon the results of Applicant's investigation and a review of the services identified at Opposer's www.elevencapitalmanagement.com website at the time the Statement of Use was filed, Opposer offered, at most, "wealth management services," but did not offer "banking services" or "investment banking services" even though Opposer alleged in its Statements of Use that it was rendering those services under the "ELEVEN" and "11 (and Design)" trademarks in commerce.

28. Moreover, the website that constituted the specimen for Opposer's Statements of Use is rudimentary, at best. The website merely contains some recycled travel/adventure photography, a photograph of an Apple computer, and limited content, including details on the history of Opposer's travel/tourism business. Opposer did not explain how visitors can engage Opposer's financial services, or include information or details about its investment or wealth management strategies that are customary for a company in this type of business. The website made no reference whatsoever to banking services, licensing information, or disclaimers/policies that are typically associated with financial service providers.

29. Accordingly, it is apparent that Opposer launched its website and placed content at the www.elevencapitalmanagement.com website for a limited time period solely for the

purpose of filing its Statements of Use prior to the final deadlines for filing a Statement of Use on August 16, 2019 and September 6, 2019, respectively.

30. Opposer, and its signatory Nicole Blakely, knowingly made false, material misrepresentations of fact in procuring registration of its “ELEVEN” and “11 (and Design)” trademarks that are the subject of Registration Nos. 5868718 and 5885688 with the intent to defraud the U.S. Patent and Trademark Office. Specifically, Opposer, and its signatory Nicole Blakely, knew that the “ELEVEN” and “11 (and Design)” trademarks were not in use in commerce in connection with, at a minimum, the “banking services” and “investment banking services” identified in the applications at the time the Statements of Use were filed, yet still alleged use of the marks in commerce with all of the services identified in the applications.

31. Based upon the aforementioned acts, Opposer committed fraud in obtaining Registration Nos. 5868718 and 5885688, which constitute the principal basis for Opposer’s Notice of Opposition against Applicant’s application.

32. By virtue of the foregoing, if the aforementioned registrations are permitted to subsist, with all the presumptions afforded to registrations issued on the Principal Register, the registrations will serve as a basis for opposing Applicant’s registration of its “ELEVEN” trademark and subject Applicant to damage.

Wherefore, Applicant respectfully requests that this Counterclaim be sustained and that Registration Nos. 5868718 and 5885688 be cancelled on the basis that they were procured through fraud.

Respectfully submitted,

Date: May 15, 2020

By: /Jordan LaVine/

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Opposition No. 91251518
Re: Application Serial No. 88188174

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V.	:
	:
HFIN ONE, LLC	:
	:
APPLICANT/ COUNTERCLAIMANT	:

CERTIFICATE OF SERVICE

Applicant certifies that a copy of this pleading has been served by email on counsel of record for Opposer, as follows:

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Dated: May 15, 2020

