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

Proceeding	91254118
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

REALOGY GROUP LLC,

Opposer,

v.

Schweizer Kapital Holding AG
(by assignment from RCM Holding &
Management AG),

Applicant.

Opposition No.: 91254118

Serial No.: 79/200,864

Filed: September 7, 2016

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Mark: REALOGIS

**OPPOSER’S BRIEF IN OPPOSITION TO
APPLICANT’S SECOND MOTION TO DISMISS**

Pursuant to Fed. R. Civ. P. Rule 12(b)(6) and TBMP §503, Opposer Realogy Group LLC (“Opposer”) submits its brief in opposition to Applicant Schweizer Kapital Holding AG (by assignment from RCM Holding & Management AG) (“Applicant”) Motion to Dismiss Opposer’s Amended Notice of Opposition (“Notice”). For the reasons specified below, Applicant’s Motion to Dismiss (“Motion”) should be denied.

I. BACKGROUND

Opposer seeks refusal of Applicant’s Application Serial No. 79/200,864 for the REALOGIS trademark in Classes 35, 36, and 39 (“Application”), on the following grounds: 1) Likelihood of Confusion, 2) Fraud on the Trademark Office, 3) The Application is Void Ab Initio, 4) Dilution by Blurring, and 5) False Suggestion of Connection. Opposer based the opposition, in part, on Opposer’s registered and common-law REALOGY trademarks for a variety of services (“Opposer’s Marks”). Notice ¶¶ 25-29.

Opposer filed a Notice of Opposition on February 13, 2020. Rather than answer the Opposition, Applicant filed a Motion to Dismiss on March 26, 2020. Despite the fact that Opposer's original Notice of Opposition was more than sufficient to plead its claims, Opposer nonetheless tried to address Applicant's concerns by filing its Amended Notice of Opposition ("Notice") on April 14, 2020. Again, however, rather than answer the Notice, Applicant instead chose to file another baseless Motion to Dismiss.¹ As described herein, however, there can be no question that Opposer has adequately pleaded its claims. Applicant's current Motion to Dismiss seems to be nothing more than an attempt to needlessly delay and multiply this proceeding.

In its Second Motion to Dismiss, Applicant seeks to dismiss three of the claims, namely, 1) False Suggestion of Connection, 2) Dilution by Blurring and 3) Fraud on the Trademark Office. Applicant offers no credible grounds to dismiss these claims at this early stage. Rather, as to each claim, Applicant merely argues that "no facts were added." For the reasons set forth below, the Board should deny Applicant's Motion and promptly resume the opposition proceedings.

II. ARGUMENT

A. Standard for Motion to Dismiss for Failure to State a Claim

For purposes of determining a motion to dismiss, all of the Opposer's well-pleaded allegations must be accepted as true, and the Notice must be construed in the light most favorable to the opposer. See *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *Petroleos Mexicanos v. Intermix SA*, 97 USPQ2d 1403, 1405 (TTAB 2010); TBMP § 503.02 ("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 a complaint").

¹ Applicant suggests in FN 1 that Opposer may have made additional revisions in the Amended Notice of Opposition that were not identified in the redline copy submitted at the Board's request, because Opposer fixed a typographical error from "comapany's" to "companies" at paragraph 17, but the revision was not included in the redline. Opposer assures the Board and opposing counsel that Opposer made no such underhanded moves, as opposing counsel is no doubt aware, considering their attention to the one typographical correction.

Dismissal under Fed. R. Civ. P. 12(b)(6) is appropriate only if “it appears to a certainty that [opposer] is entitled to no relief under *any* state of facts which could be proved in support of the claim.” *Flash & Partners S.P.A.*, 95 U.S.P.Q.2d 1813 (T.T.A.B. July 14, 2010) (emphasis in original). Whether Opposer has proven its allegations or not is irrelevant to determining whether it has sufficiently pleaded its allegation to survive a motion to dismiss. *Advanced Cardiovascular Systems*, 26 USPQ2d at 1041.

As Applicant states in its Motion, a claim may not be dismissed so long as it is plausible on its face. See *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007), Motion at 4. A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw a reasonable inference that the defendant is liable for the misconduct alleged. See *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 556-57 (2007). **The plausibility standard does not require that a plaintiff set forth detailed factual allegations.** *Id.* Nor does a plaintiff need to prove its case at the pleading stage. See *Libertyville Saddle Shop Inc. v. E. Jeffries & Sons, Ltd.*, 22 USPQ2d 1994, 1597 (TTAB 1992) (“A motion to dismiss does not involve a determination of the merits of the case...”). Rather, 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).

For the reasons explained below, Opposer has clearly pleaded its claims sufficiently and Applicant’s Motion must fail.

B. Opposer’s “Fraud on the Trademark Office” Claim is Sufficient to Avoid Dismissal

An applicant commits fraud in procuring a trademark application by making false, material representations to the PTO during prosecution:

“Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application.” *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 48, [1 USPQ2d 1483] (Fed. Cir. 1986). ... Indeed, “the very nature of the charge of fraud requires that it be proven ‘to the hilt’ with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved

against the charging party.” *Smith Int’l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981).

In re Bose Corporation, 580 F.3d 1240, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009). Under Federal Rule of Civil Procedure 9(b), allegations of fraud must be plead with particularity. In other words, a fraud claim must set forth all elements of the claim with a heightened degree of particularity and must be accompanied by statements of fact. *See Asian and W. Classics B.V. v. Selkow*, 92 U.S.P.Q.2d 1478, 1478-79 (TTAB 2009). The Board has previously held that a party sufficiently pleads fraud in procuring a trademark registration when that party “alleges facts which, if proven, would establish that:”

- 1) there was in fact another use of the same or a confusingly similar mark at the time the oath was signed;
- 2) the other user had legal rights superior to applicant’s;
- 3) applicant knew that the other user had rights in the mark superior to applicant’s, and either believed that a likelihood of confusion would result from applicant’s use of its mark or had no reasonable basis for believing otherwise; and that
- 4) applicant, in failing to disclose these facts to the Patent and Trademark Office, intended to procure a registration to which it was not entitled.

See Qualcomm Inc. v. FLO Corp., 93 USPQ2d 1768, 1770 (TTAB 2010). Here, Applicant appears to concede that Opposer adequately pleaded the first, second, and fourth elements. *See* Motion at 2-3. Thus, the only question is whether Opposer alleged facts to establish that Applicant knew that Opposer had rights in the mark superior to Applicant’s, and either believed that a likelihood of confusion would result from Applicant’s use of its mark or had no reasonable basis for believing otherwise. *Id.* For the reasons set forth below, Opposer has sufficiently pleaded this element.

In its amended Notice, Opposer clearly alleges:

Applicant therefore **knew** at the time of the filing of the Application **that another legal entity, namely Opposer, did in fact have the right to use a mark so near in resemblance to Applicant’s Mark that Applicant’s Mark was likely to cause confusion therewith**, to cause mistake, or to deceive.

Notice ¶ 53. It is difficult to understand how Applicant construes the above statement as anything other than a clear allegation that Applicant filed the Application with knowledge that it would create a likelihood of confusion. And taking this allegation as true, as the Board must in deciding a motion

to dismiss, there can be no question that Opposer has adequately pleaded the third element and made a claim for fraud.

But the foregoing paragraph is not the entirety of Opposer's pleading showing that Applicant had knowledge that the registration of its marks would cause a likelihood of confusion. To the contrary, Opposer provides a lengthy description of the history of the parties. More specifically, Opposer has alleged facts showing that in 2009 Applicant filed the Prior Application for Applicant's Mark and the PTO rejected this Prior Application on the basis that Applicant's Mark was likely to cause confusion with the marks shown in seven (7) of Opposer's registrations. Notice ¶ 8 and 9. Applicant failed to respond to the PTO's rejection. Notice ¶ 10. Accordingly, based on receipt of the prior 2(d) refusal, Applicant unquestionably knew of Opposer's prior rights at least as early as **August 17, 2009**, and had no reasonable basis for believing that Applicant's REALOGIS Mark would *not* be likely to cause confusion with Opposer's REALOGY marks. Opposer goes on to allege that despite this knowledge, Applicant filed the subject application Serial No. 79/200,864 for REALOGIS on **September 7, 2016**. Notice ¶ 3 and 15.

There can be no doubt that Applicant had knowledge of 1) Opposer's superior rights at the time it filed the Application and 2) that the mark shown in the Application would be likely to cause confusion with Opposer's superior rights. Again, based on this, there can be no question that Opposer has adequately pleaded the third element of its fraud claim.

Applicant cites to five nonprecedential TTAB decisions for the proposition that "knowledge of prior registration or use cannot in and of itself be the basis of a finding of fraud." Motion at 8. However, in addition to being nonprecedential, none of these cases were decided on a motion to dismiss. Rather, they were all final decisions following trial. Moreover, all of the cases are distinguishable:

1. In *Bresette v. Sigma Holding Corp.*, No. 92054984 (TTAB Mar. 31, 2014) (nonprecedential), the petitioner made an assertion of unregistered rights in a letter a few months before the registrant filed the application for the registration at issue. This is unlike the present case, in which Applicant received an office action refusing an earlier application for the identical REALOGIS mark and services

based on a likelihood of confusion with Opposer's prior REALOGY registrations (the same asserted in the Notice).

2. In *MedBox, LLC v. PVM Int'l, Inc.*, No. 91199915 (TTAB Oct. 10, 2013) (nonprecedential), the opposer asserted unregistered rights and alleged that the applicant knew of the opposer's prior rights before filing the opposed application, without ever producing evidence of such knowledge in the trial phase.
3. In *Katz Commc'ns, Inc. v. Katz Mktg. Solutions LLC*, No. 91191178 (TTAB Feb. 21, 2013) (nonprecedential), the opposer alleged that the applicant knew of the opposer's prior rights before filing the opposed application because opposer sent a letter. However, the letter was never made of record ("there is virtually no information about what opposer stated in its letter"). Absent any evidence of knowledge of superior rights, the Board sustained the opposition on the ground of likelihood of confusion, but dismissed the opposition on the ground of fraud. Again, this is quite unlike the present case.
4. In *Orange 21 N. Am. Inc. v. Beryll Brand Div. Est.*, No. 91181440 (TTAB Feb. 20, 2012) (nonprecedential), which was a consolidated opposition and cancellation proceeding, the opposer alleged in the cancellation proceeding that the respondent "knew, or should have known," that petitioner/opposer's rights were superior. However, the Board denied the fraud claim because the "should have known" standard for attributing knowledge is not the proper one. Again, this is distinguishable from the present case, in which Opposer has alleged Applicant had knowledge of Opposer's superior rights.
5. In *Little Concepts, LLC v. Striker Records, Inc.*, No. 92050431 (TTAB Dec. 27, 2010) (nonprecedential), the petitioner's fraud claim failed because it did not even prove that it possessed superior rights ("Having failed to prove that it has superior rights in the mark vis-à-vis respondent, petitioner ipso facto has not and cannot prove that respondent filed its application with knowledge of petitioner's superior rights, and that it committed fraud when it failed to disclose such rights to the Office in filing its application. Stated differently, petitioner having failed to prove its superior rights, there were no such rights of which respondent could have had knowledge and which respondent could have knowingly failed to disclose to the Office."). In short, *Little Concepts* is not applicable to the present case, in which Opposer holds incontestable rights of which Applicant was aware as early as 2009.

Applicant also goes on about the European proceedings by Applicant against Opposer's REALOGY marks, contending that such proceedings and likelihood of confusion analysis would be specific to the European Union, and have no impact on matters in the United States. Applicant's argument again misses the mark. Indeed, as stated in the Notice at Paragraph 19, Applicant sent a letter to Opposer on December 19, 2017 suggesting that there were likelihood of confusion issues that the parties needed to resolve in "Europe **and the rest of the world.**" Notice

¶ 19. This letter provides strong circumstantial evidence that Applicant was aware of the likelihood of confusion issues in the U.S. (and throughout the world) when it filed the Application. Thus, contrary to Applicant's assertions, Applicant's actions in relation to the European proceedings are relevant to whether Applicant was aware that there was a likelihood of confusion in the U.S.²

Based on the foregoing, Opposer has stated a claim for fraud and the Board should deny Applicant's Motion to Dismiss the fraud claim.

C. Opposer's "Dilution by Blurring" Claim is Sufficient to Avoid Dismissal

To adequately state a claim for dilution, Opposer must plead plausibly that:

- 1) Opposer owns a famous mark that is distinctive;
- 2) the Applicant is using a mark in commerce that allegedly dilutes the plaintiff's famous mark;
- 3) the Applicant's use of its mark began after the plaintiff's mark became famous; and
- 4) the Applicant's use of its mark is likely to cause dilution by blurring or by tarnishment.

Coach Services Inc. v. Triumph Learning LLC, 668 F.3d 1356, 101 USPQ2d 1713, 1723-24 (Fed. Cir. 2012); *Chanel, Inc. v. Makarczyk*, 110 USPQ2d 2013 (TTAB 2014); *Polaris Industries Inc. v. DC Comics*, 59 USPQ2d 1798 (TTAB 2000).

Here, Opposer pleaded each and every one of these elements as set forth below:

- 1) Opposer's REALOGY mark is inherently distinctive.
- 2) Opposer's REALOGY mark became famous long prior to September 7, 2016 filing date of the opposed application.
- 3) Applicant's use and registration of the mark REALOGIS is likely to cause and will cause dilution by blurring of Opposer's famous REALOGY mark under the Trademark Act, Section 43(c).
- 4) Applicant's registration of REALOGIS presents a bar to Opposer's efforts to prevent dilution by blurring.

Notice ¶¶ 70-73.

Applicant again argues that a claim should be dismissed because no facts were added to the Notice. Motion at 2. Opposer is not required to plead proof of dilution, only facts, that if true,

² And it should be noted that even if the Board were to disregard the European opposition, Opposer has still stated a claim for fraud based solely on Applicant's U.S. actions as described above.

plausibly state a claim for dilution. Opposer has clearly alleged such facts.

Opposer's pleaded claim asserting dilution under Section 43(c) is legally sufficient.

D. Opposer's "False Suggestion of Connection" Claim is Sufficient to Avoid Dismissal

To state a claim for false suggestion of connection, Opposer must allege the following elements:

- 1) The mark sought to be registered is the same as, or a close approximation of, the name or identity previously used by another person or institution;
- 2) the mark would be recognized as such, in that it points uniquely and unmistakably to that person or institution;
- 3) the person or institution identified in the mark is not connected with the goods sold or services performed by applicant under the mark; and
- 4) the fame or reputation of the named person or institution is of such a nature that a connection with such person or institution would be presumed when applicant's mark is used on its goods and/or services.

See *Petróleos Mexicanos v. Intermix S.A.*, 97 USPQ2d 1403, 1405 (TTAB 2010); see also, *Buffet v. Chi-Chi.s, Inc.*, 226 USPQ 428, 429 (TTAB 1985).

In its Notice, Opposer pleaded each and every one of these elements as set forth below:

- 1) Applicant's Mark so resembles the Registered Marks and the services identified are identical or so closely related to the services of Opposer as to be likely, when used in connection with Applicant's services, to falsely suggest a connection with Opposer in violation of Section 2(a) of the Lanham Act, 15 USC §1052(a);
- 2) Applicant's Mark is the same or a close approximation of the Registered Marks;
- 3) Applicant's Mark would be recognized as such by purchasers, in that the mark points uniquely and unmistakably to the Registered Marks;
- 4) Opposer is not connected with the goods sold or activities performed by the Applicant under Applicant's Mark and
- 5) Opposer is of sufficient fame or reputation that when the Applicant's Mark is used in connection with its goods or services, a connection with the Opposer would be presumed.

Notice ¶¶ 75-79. Thus, Opposer has pleaded sufficient facts to establish a plausible claim of false suggestion of a connection.

Notwithstanding Opposer's specific allegations, Applicant contends that the "False Suggestion of Connection" claim should be denied because the Notice "does not contain any facts in support of the false association claim. Like the initial opposition, the amended opposition still fails to assert a 'name or identity of a person or institution' that 15 U.S.C. § 1052(a) protects."

Motion at 2. Applicant's argument fails because, at best, it attempts unsuccessfully to attack the merits of Opposer's claims, not the sufficiency of the Notice. Indeed, the Notice clearly states that Applicant's Mark, when used in connection with Applicant's services, falsely suggests a connection with Opposer.

Applicant's motion to dismiss the "False Suggestion of Connection" claim must fail.

III. LEAVE TO AMEND

To the extent that the Board finds that any of these claims, 1) False Suggestion of Connection, 2) Dilution by Blurring and 3) Fraud on the Trademark Office, were not sufficiently pleaded, Opposer respectfully requests leave to amend. See TBMP 503.03 ("If no amended complaint is submitted in response to a motion to dismiss for failure to state a claim upon which relief can be granted, and the Board finds, upon determination of the motion, that the complaint fails to state a claim upon which relief can be granted, the Board generally will allow the plaintiff an opportunity to file an amended pleading.").

IV. CONCLUSION

For the reasons specified above, Opposer has shown that it has standing and has pleaded legally sufficient claims for the allegations raised in its Notice. Opposer respectfully prays that the Board deny Applicant's Motion and promptly resume the opposition proceedings.

Respectfully submitted,

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