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

Proceeding	91264403
Party	Defendant BMC Software, Inc.
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2d 155, 158 (E.D.N.Y. 2008). Despite the above case citations, Opposer asserts that Applicant is attempting “to redefine fraudulent procurement claims by artificially narrowing the scope of actionable misrepresentations” and claims that “there is no strict authority that cabins the materiality requirement to those circumstances.”<sup>1</sup>

Much to Opposer’s apparent dismay, however, there is clear authority regarding the materiality requirement. For example, in *Scurmont LLC v. Firehouse Rest. Group, Inc.*, the South Carolina District Court noted that “[i]n the context of fraud relating to a trademark application, the standard for materiality is exclusively defined: a material representation to the USPTO exists where, ‘but for the misrepresentation, the federal registration either would not or should not have issued.’” *Scurmont LLC v. Firehouse Rest. Group, Inc.*, 2011 U.S. Dist. LEXIS 75715, \*33, 2011 WL 2670575 (D.S.C. Jul. 8, 2011) (holding that, [a]s the Fourth Circuit has noted, “[a] number of courts have held that procurement of a trademark registration through the use of false or misleading statements does not constitute fraud within the meaning of 15 U.S.C. § 1115(b)(1) unless the statements were both material to the decision to grant the registration and made with a deliberate intent to defraud.”). *See also* J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* (5<sup>th</sup> ed.) § 31:67 (“To constitute ‘fraud’ the knowing misrepresentation to the PTO must be ‘material’ in the sense that but for the misrepresentation, the federal registration either would not or should not have issued.”)

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<sup>1</sup> Opposer also attempts to argue that the Board should not even consider BMC’s Motion to Dismiss because it was filed after Opposer’s Motion to Suspend. This argument ignores the fact that Opposer’s Motion to Suspend was filed on August 25, 2020, only six days after the Opposition was commenced, and the same day Applicant was notified by the Board of the institution of the Opposition. Therefore, it was impossible for Opposer to file a Motion to Dismiss before the Motion to Suspend was filed. In fact, Applicant filed its Motion to Dismiss a full three weeks before its answer was even due. Opposer’s suggestion that Applicant somehow delayed the filing of its Motion to Dismiss to Applicant’s detriment should be viewed as yet another baseless attempt to distract the Board from the substantive issues in this proceeding.

Other courts have taken similar positions. The U.S. District Court for the District of Columbia held that “[a] false representation must be material in the sense that ‘a reasonable examiner would have considered it important in deciding whether to issue the registration.’” *Paleteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. De C.V.*, 69 F. Supp. 3d 175, 223-224, (D. D. C. 2014) (quoting *Fair Isaac Corp. v. Experian Info. Solutions Inc.*, 711 F. Supp. 2d 991, 998 (D. Minn. 2010)); see also *Orient Exp. Trading Co., Ltd. v. Federated Dep’t Stores, Inc.*, 842 F.2d 650, 653 (2d Cir. 1988) (describing a material fact as “one that would have affected the PTO’s action on the applications”); *Colt Indus. Operating Corp.*, 221 U.S.P.Q. 73, 1983 WL 51834, at \*3 (TTAB Nov. 25, 1983) (describing a material fact as one “which, if transmitted to the Office, would have resulted in the refusal of the registration sought”).

The U.S. District Court in Arizona confirmed that “[t]o establish that a mark was registered fraudulently, a party must prove two things, both by clear and convincing evidence: First, the party must identify a deliberate attempt by the registrant to mislead the PTO, identifying statements or representations that prove more than mere error or inadvertence. . . . Second, the party must show that misstatements were made ‘with respect to a material fact—one that would have affected the PTO’s action on the applications.’” *Strong Coll. Students Moving Inc. v. Coll. Hunks Hauling Junk Franchising LLC*, 2015 U.S. Dist. LEXIS 191833, \*35-36, 2015 WL 12602438 (D. Ariz. Jul. 29, 2013); *Halo Management, LLC v. Interland, Inc.*, 308 F. Supp. 2d 1019, 1031 (citing *Orient Express Trading Co. v. Federated Dep’t Stores, Inc.*, 842 F.2d 650, 653 (2d Cir. 1988)). See also *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 56 C.C.P.A. 946, 407 F.2d 881, 886, 160 U.S.P.Q. 715 (1969) (holding that a partially untrue statement about the color of the product was not material to whether the mark could be registered. The applicant’s statement “though in part untrue, was not in this case on a material matter and hence not a basis for a holding of fraud.”). The Court further

held that “[t]o prove fraud that would result in the cancellation of [the mark], there would have to be a material misrepresentation in the [application] on the basis of which the mark was registered.” *Strong Coll. Students Moving Inc. v. Coll. Hunks Hauling Junk Franchising LLC*, 2015 U.S. Dist. LEXIS 191833, \*35-36, 2015 WL 12602438 (D. Ariz. Jul. 29, 2013); *Pony Express Courier Corp. of Am. v. Pony Express Delivery Serv.*, 872 F.2d 317, 319 (9th Cir. 1989).

Therefore, contrary to Opposer’s assertion, it is well established that misstatements in a trademark application will result in cancellation only if the statements were material to the decision to grant the application. *Audiovox Corp. v. Monster Cable Prods., Inc.*, 544 F. Supp. 2d 155, 158 (E.D.N.Y. 2008).

Nevertheless, Opposer suggests such a standard is at odds with *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). This assertion is erroneous because the Court in *In re Bose Corp.* focused its analysis only on the first prong of the fraud test – namely, whether the registrant evidenced an intent to deceive. *Id.* The Court in *In re Bose Corp.* did not even analyze the materiality of the allegedly false representation at issue in that case. *See generally In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). In fact, the Court noted that “[b]ecause Bose does not challenge the Board’s conclusion that such a statement was material, we conclude that Bose made a material misrepresentation to the PTO.” *In re Bose Corp.*, 580 F.3d at 1246.

Notwithstanding this significant distinction, *In re Bose Corp.* and the very quote cited by Opposer still support the materiality requirement in the aforementioned cases. As noted by Opposer (*see* 9 TTABVue 8), the *In re Bose Corp.* Court held “that a trademark is **obtained** fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.” *In re Bose Corp.*, 580 F.3d 1240,

1245, 91 U.S.P.Q.2D (BNA) 1938, 1941 (emphasis added). The use of “*obtained*” in the Court’s holding clearly demonstrates that the false, material representation intended to deceive the PTO must result in a registration being granted (or renewed, in the case of *In re Bose Corp.*).

Moreover, the false representation at issue before the Court in *In re Bose Corp.* was the registrant’s claim on a renewal application that its mark was in use on all goods in the registration even though the registrant knew it had stopped manufacturing and selling certain goods. *In re Bose Corp.*, 580 F.3d at 1242. As the Board found, such a representation by the registrant was clearly material to whether the renewal would be granted. *Id.* The registrant did not challenge this finding of the Board, and the Federal Circuit easily concluded that such a representation was indeed a material misrepresentation to the PTO. *Id.* at 1246. Thus, the very case that Opposer cites actually supports the conclusion that the false misrepresentation at the core of a fraud claim must be material to the PTO’s decision to grant (or renew) a trademark registration. Opposer’s statements to the contrary are inconsistent with *In re Bose Corp.* and the myriad cases that say otherwise, including those cited above.

Applicant’s allegedly false mark descriptions are, quite simply, not material to the Examining Attorneys’ determinations to grant the applications. While Opposer tries to frame its claim as an attempt by Applicant to “associate the description of its Helix Logo with the description of Baker Hughes’ Modius [sic] Logo in the USPTO database,” such a claim, at its core, is still merely a challenge to the sufficiency and adequacy of Applicant’s Mark descriptions. The cases noted in Applicant’s Motion to Dismiss unequivocally confirm that such an attack based on an *ex parte* examination issue cannot form the basis for an opposition in this forum. *Ferring B.V. v. Fera Pharms., LLC*, 2015 U.S. Dist. LEXIS 2048, \*23, 2015 WL 127875; *see also Flash &*

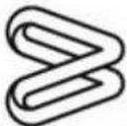
*Partners S.P.A. v. I. E. Manu. LLC*, 95 U.S.P.Q. 2d (BNA) 1813, (TTAB 2010) (“[E]x parte examination matters . . . do[] not form a basis for cancellation.”).

B. Opposer’s Reliance on Design Search Codes is Misleading.

Opposer’s arguments with respect to the alleged importance of design search codes assigned to an application are misleading. Opposer asserts that the design search codes assigned to the Applications due to the inclusion of the word “mobius” in the mark descriptions will increase the likelihood that examining attorneys will encounter both Applicant’s and Opposer’s applications/registrations together in searches to determine whether a likelihood of confusion exists. In reality, however, this is not true.

The design search codes assigned to Applicant’s and Opposer’s pending applications (all of which contain “mobius” in the mark descriptions) are as follows:

Mark	Design Search Codes
<p>Applicant’s Application Serial No. 88/708,723</p> 	<p><b>26.01.29:</b> DNA helix; Helixes</p> <p><b>26.17.09:</b> Bands, curved; Bars, curved; Curved line(s), band(s) or bar(s); Lines, curved</p>
<p>Applicant’s Application Serial No. 88/817,629</p> 	<p><b>26.01.29:</b> DNA helix; Helixes;</p> <p><b>26.11.13:</b> Rectangles (exactly two rectangles); Two rectangles</p> <p><b>26.11.16:</b> Rectangles touching or intersecting</p>
<p>Opposer’s Application Serial No. 88/643,061</p> 	<p><b>26.17.09:</b> Bands, curved; Bars, curved; Curved line(s), band(s) or bar(s); Lines, curved</p>

<p>Opposer's Application Serial No. 90/062,940</p> 	<p><b>14.05.25:</b> Air pumps, non-motorized; Anvils; Bellows, fireplace; Caulking gun; Files (tools); Grease guns; Guns, caulking; Guns, grease; Plane (hand tool); Pokers, fireplace; Pumps, air (non-motorized); Punches (hardware); Riveters; Soldering irons</p>
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Not only do the design search codes for Applicant's applications at issue differ from each other, but so too do the design search codes for Opposer's own applications. In addition, the design search codes assigned to Applicant's \*629 application have no overlap with either of Opposer's applications and the design search codes assigned to both of Applicant's applications have no overlap with Opposer's \*940 application. While one of the design search codes in Applicant's \*723 Application does overlap with the design search code in Opposer's \*061 application, that is the only overlap with either of Opposer's applications among the six discrete design search codes assigned across four different applications.<sup>2</sup> It is clear, therefore, that the inclusion of the word "mobius" in the mark descriptions of the applications of both Applicant and Opposer has little, if any, bearing on the design search codes assigned to the applications. Further, the lack of consistency with respect to the USPTO's assignment of design search codes also demonstrates that such codes, like the mark descriptions themselves, are not material to the USPTO's determination to grant an application. Accordingly, Opposer's focus on the design search codes should be disregarded as a blatant red herring.

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<sup>2</sup> Opposer implies that both of Applicant's applications share design search codes with both of Opposer's applications. See 9 TTABVUE 7 ("...it is the design search codes in BMC's pending applications that match the design search codes in Baker Hughes' registrations/applications."). However, as the chart above illustrates, this is clearly false. While *one* of Applicant's applications does share a design search code with *one* of Opposer's applications, the Applicant's other application does not share any overlap. Further, Opposer's \*940 application shares no overlap with either of Applicant's applications (or, tellingly, Opposer's own co-pending application).

C. A True Statement Cannot Be a Material Misrepresentation.

Applicant's Motion to Dismiss demonstrates conclusively that its Mark is indeed correctly described as a mobius. It is an irrefutable truism that a true statement, namely the description of Applicant's Mark as having a mobius shape, cannot be a material misrepresentation. The lack of a plausible basis or claim for relief is fatal to the Opposition.

D. Conclusion.

In light of the foregoing and the reasons in Applicant's Motion to Dismiss, the Opposition should be dismissed for its failure to state a claim for which relief can be granted.

Respectfully submitted,

BELZER PC

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**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing Applicant's Reply In Support of Applicant's Motion to Dismiss was served on Opposers by delivering copies of the same via electronic mail on October 25, 2020, to Opposers' attorneys of record addressed to:

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