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

Proceeding	91264403
Party	Plaintiff Baker Hughes Company and Baker Hughes Holdings LLC FKA Baker Hughes, a GE Company, LLC
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BAKER HUGHES COMPANY and	§	
BAKER HUGHES HOLDINGS LLC,	§	
	§	
Opposer,	§	Opposition No. 91264403
	§	
v.	§	
	§	
BMC SOFTWARE, INC.,	§	
	§	
Applicant.	§	

**OPPOSER’S RESPONSE IN OPPOSITION TO
APPLICANT’S RULE 12(B)(6) MOTION TO DISMISS**

BMC Software’s motion to dismiss takes a two-pronged, extralegal approach. First, BMC seeks to circumvent the applicable standard (*i.e.* that Baker Hughes’ allegations must be accepted as true) by simply ignoring what Baker Hughes alleges. And second, BMC endeavors to redefine fraudulent procurement claims by artificially narrowing the scope of actionable misrepresentations. Suffice it to say, this approach falls far short of meeting BMC’s burden to demonstrate that dismissal of Baker Hughes’ fraud claim is warranted. Accordingly, if the Board even finds it necessary to decide BMC’s motion to dismiss rather than suspend this proceeding in favor of the civil action involving the same parties and trademark rights,¹ the Board should deny BMC’s motion.

¹ Baker Hughes filed its motion to suspend these proceedings for the civil action twenty days before BMC filed the instant motion. *See* 4 TTABVUE; 5 TTABVUE. While the Board has discretion to decide a potentially dispositive motion prior to a motion seeking suspension of the proceeding, the TBMP only suggests this approach when the dispositive motion is already pending “at the time when the question of suspension of proceedings before the Board is raised.” TBMP § 510.02(a). In view of the delay between the filing of Baker Hughes’ motion to suspend and BMC’s motion to dismiss, Board policy strongly favors deciding Baker Hughes’ motion to suspend first. Thus, Baker Hughes’ seeks denial of the instant motion at this time only in the event the Board denies its motion to suspend or chooses to decide the instant motion first.

A. Rule 12(b)(6) Standard

A motion to dismiss pursuant to Rule 12(b)(6) challenges a complaint (here, Baker Hughes' Notice of Opposition) on the basis that it fails to state a claim upon which relief may be granted. FED. R. CIV. P. 12(b)(6). To overcome a motion to dismiss, the allegations in the complaint must merely state a claim that is "plausible on its face." *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007). Courts "must accept as true all well-pled and material allegations of the complaint, and must construe the complaint in favor of the complaining party." *Ritchie v. Simpson*, 170 F.3d 1092, 1097 (Fed. Cir. 1999). Consideration of materials outside the pleadings constitutes procedural error. *CODA SRO v. Goodyear Tire & Rubber*, 916 F.3d 1350, 1360 (Fed. Cir. 2019).

This standard does not require determination of the claim's ultimate merit. *Twombly*, 550 U.S. at 555-56 (plausibility "simply calls for enough fact to raise a reasonable expectation that discovery will reveal evidence" of liability). A complaint that alleges plausible facts "may proceed even if it strikes a savvy judge that actual proof of those facts is improbable, and that a recovery is very remote and unlikely." *Id.* (internal quotation marks omitted). Because "such a dismissal is on the merits and is accorded res judicata effect, dismissals under Rule 12(b)(6) are disfavored." *In re Johnson Elec. N. Am., Inc.*, 979 F.2d 215, 215 (Fed. Cir. 1992) (citing J. Moore, 2A MOORE'S FEDERAL PRACTICE AND PROCEDURE, § 12.07 [2.-5] (2d ed. 1991)).

B. Argument

The arguments BMC advances in favor of dismissal are plainly inconsistent with both the applicable Rule 12(b)(6) standard and well-established precedent governing fraud claims. Baker Hughes has pled, and ultimately must establish, several elements to prevail on its fraud claim, but BMC challenges only two—falsity and materiality. Specifically, BMC asserts in its motion that: (1) the description of its mark as a "mobius" is true notwithstanding Baker Hughes' allegations to

the contrary; and (2) that even if BMC falsely described its mark as a mobius, the misrepresentation is nevertheless immaterial. Neither argument is persuasive, and the Board should reject both.

1. Baker Hughes plausibly alleges that BMC’s statement was false.

Baker Hughes’ complaint sets forth in detail how BMC came to falsely describe its helix-shaped logo as a “mobius.” 1 TTABVUE 13-14, ¶¶ 17-20. Thus, the allegations in Baker Hughes’ complaint plausibly state that BMC made a false statement.

Baker Hughes alleges it announced a rebranding in October 2019, which included a new logo Baker Hughes called the mobius arrow (the “Mobius Logo”). *Id.* at 5, ¶ 3. The same month, Baker Hughes filed an application for its Mobius Logo that included the following description of the mark: “The mark consists of a stylized design of a *mobius* twist in green” (emphasis added). *Id.* at 6, ¶ 5. Less than a week after the rebranding announcement, BMC contacted Baker Hughes alleging that the Mobius Logo looked similar to BMC’s mark (the “Helix Logo”). *Id.* at 9, ¶ 11. Baker Hughes alleges that, up to this point, BMC had typically described its mark as a “double helix” and never used the word mobius. *Id.* at 9-10, ¶¶ 10-11.

Baker Hughes wrote back to BMC the following day, advising BMC that Baker Hughes’ new logo “is a Mobius,” which is “a unique shape” that “does not exist with the BMC logo.” *Id.* ¶ 11. Then, approximately six weeks later, BMC filed an application for its Helix Logo which contained added shading and the following description of the mark: “The mark consists of stylized *mobius strip* in the shape of a helix in orange” (emphasis added). *Id.* This application differed from BMC’s previous applications not only because it was the first to reference the term “mobius” but also because the appearance of the Helix Logo in the new application included stylized orange-gray gradients that attempts to gives the logo dimensionality, as opposed to a flat, monochromatic orange used in BMC’s prior applications. *See id.* ¶¶ 10-11. Baker Hughes further alleges that

BMC filed yet another application in March 2020, again for its Helix Logo with stylized orange-gray gradients and a description of the mark as a “mobius.” *Id.* at 11, ¶ 13.

In December 2019, approximately two months after first contacting Baker Hughes, BMC initiated the ongoing civil action against Baker Hughes. *Id.* at 13, ¶ 17. The allegations in Baker Hughes’ notice of opposition then state as follows:

On information and belief, Applicant never used the term “mobius” to describe its [] Helix Logos until after seeing Opposer’s BH Mobius Logo Application including term “mobius” in the mark description, initiating a dispute with Baker Hughes regarding their respective logos, and being told by Baker Hughes that the Baker Hughes mark “is a Mobius.”

. . . Applicant’s use of “mobius” in the descriptions of the marks covered by BMC Helix Applications constitutes false and material representations to the USPTO because, as of the filing date of those applications, Applicant was aware that the marks covered by the applications do not constitute “mobius” designs and Applicant included the references to “mobius” in the BMC Helix Applications solely in an attempt to improve its position against Opposer, both in the Civil Action and in the USPTO.

Id. at 14, ¶¶ 18-19. Taking the foregoing allegations as true and making all reasonable inferences in Baker Hughes’ favor—as the Board must at the motion-to-dismiss stage—Baker Hughes more than meets the burden of plausibly alleging that BMC falsely represented to the USPTO that its Helix Logo is a mobius shape to gain what it thought may be some perceived advantage in its lawsuit when in fact the Logo was always considered a helix shape. *See Twombly*, 550 U.S. at 555-56.

BMC nevertheless insists in its motion that “there is no false statement.” 5 TTABVUE 3. Tellingly, however, BMC uses equivocal language in its motion in describing its Logo as a mobius. For example, BMC states “Applicant’s Mark constitutes a ‘mobius’ *as that term is defined and commonly understood.*” *Id.* at 4 (emphasis added). BMC likewise states “Applicant’s Mark *can, in fact, be described* as a mobius.” *Id.* at 6 (emphasis added). Beyond several dictionary

definitions, BMC offers no evidence establishing how the term mobius is “commonly understood” or what shapes “can . . . be described as a mobius” despite the fact that BMC never did so until after it saw Baker Hughes’s Mobius Logo and decided to bring its civil action. *See id.* at 5-6. To be sure, BMC includes images of eighteen third-party design mark registrations that contain “mobius” in their description of the mark. *See id.* at 5. But all of these design marks feature different shapes, there is no suggestion that any of these descriptions were challenged and upheld, and BMC offers no evidence conclusively showing that any of these design marks indeed feature a mobius shape.² And even were there evidence that BMC’s helix could be considered a mobius, the mere presence of contrary evidence does not satisfy the standard for a 12(b)(6) motion to dismiss.

BMC is of course entitled to present evidence and argue at trial that its mark “can, in fact, be described as a mobius.” Such a determination will likely involve fact witnesses and potentially competing expert witnesses to analyze the Helix Logo and attempt to persuade the Board that it is, or is not, in fact a mobius design. But such a determination is plainly improper at the motion-to-dismiss stage.

Accordingly, Baker Hughes has plausibly alleged that BMC made a false representation. BMC’s arguments to the contrary require the Board to disregard the applicable standard and go beyond the face of the complaint. If anything, BMC’s equivocal assertions about how its mark may be “commonly understood” serve only to highlight that—boiled down—BMC’s motion

² Assuming *arguendo* BMC had produced conclusive evidence outside the pleadings, “the consideration of material outside the pleadings” on a Rule 12(b)(6) motion constitutes procedural error. *CODA*, 916 F.3d at 1360. Though a court may consider judicially noticeable materials without running afoul of this rule, the materials for which BMC seeks judicial notice fall far short of conclusive evidence and should therefore be disregarded for the purposes of resolving the instant motion. *See id.*

essentially asks the Board to impermissibly resolve a disputed question of fact at this early stage in the proceedings. The Board should therefore reject dismissal on those grounds.

2. Baker Hughes plausibly alleges that BMC's statement was material.

BMC next argues that Baker Hughes has not alleged that any false statement BMC made was material, recasting Baker Hughes' claim as "no more than a challenge to the sufficiency and adequacy of Applicant's Mark descriptions in its applications." *Id.* at 8. According to BMC, issues relating to "an improper or erroneous description neither constitutes a basis for fraud nor a proper ground for opposition." *Id.*

Regardless of whether BMC's assertion could be deemed generally correct as a legal matter, it has no basis in Baker Hughes' allegations as a factual matter. Baker Hughes does not simply allege that BMC offered a defective description of its mark. Rather, the allegations state that BMC "included the references to 'mobius' in the [] Helix Applications solely in an attempt to improve its position against Opposer, both in the Civil Action and in the USPTO." 1 TTABVue 14, ¶ 19. The allegations further specify that BMC "*intended to deceive the USPTO* into determining that the Mobius Logos are confusingly similar to the [] Helix Logos." *Id.* ¶ 20 (emphasis added).

Put another way, Baker Hughes alleges that BMC sought to associate the description of its Helix Logo with the description of Baker Hughes' Modius Logo in the USPTO database. Baker Hughes further alleges that BMC did this so that an examining attorney conducting a 2(d) search in connection with BMC's application would be more likely to encounter Baker Hughes' applications/registrations (and vice versa) and to issue a 2(d) refusal that BMC could claim is evidence of infringement in the ongoing civil action and elsewhere. Notably, BMC's registered marks that do not include "mobius" in the description have design search codes that differ from

BMC's pending applications (which do include "mobius" in the description). And not coincidentally, it is the design search codes in BMC's pending applications that match the design search codes in Baker Hughes' registrations/applications.³

Therefore, Baker Hughes' alleges that BMC's false representation is material because it has already impacted the USPTO's assignment of design codes to BMC's applications/registrations with the result of increasing the likelihood that examining attorneys will encounter both BMC's and Baker Hughes' applications/registrations together in searches to determine whether a likelihood of confusion exists. *See, e.g., Geoffrey, LLC v. Hair Are Us, Inc.*, No. 91221951, 2017 WL 2391863, at *6 (TTAB Apr. 24, 2017) ("[D]esign codes are used by Examining Attorneys . . . to facilitate searches during the prosecution of applications."); *see also Black & Decker Corp. v. Emerson Elec. Co.*, 84 USPQ2d 1482, 1483 n.3 (TTAB 2007) (noting presence of records "showing the design search codes for opposer's non-standard-character-format marks" as evidence of record in opposition proceeding).

BMC ignores these allegations, however, and focuses on the Board's decision in *Saint-Gobain Abrasives Inc. v. Unova Industries Automation System Inc.*, 66 USPQ2d 1355, 1359 (TTAB 2003) and several other cases. None of these cases involve allegations similar to those at issue here, and several them do not even discuss fraud claims. *Saint-Gobain*, for example, discusses fraud only in passing to mention that equitable defenses are unavailable for fraud claims.⁴

³ Compare U.S. Reg. No. 4,759,874 (BMC registration lacking "mobius" in description; design search code: "26.01.29 - DNA helix; Helixes"), with U.S. Ser. No. 88/708,723 (BMC application with "mobius" in description; design search codes: "26.01.29 - DNA helix; Helixes" & "26.17.09 - Bands, curved; Bars, curved; Curved line(s), band(s) or bar(s); Lines, curved"), and U.S. Ser. No. 88/643,061 (Baker Hughes application with "mobius" in description; design search codes: "26.15.12 - Polygons with bars, bands and lines" & "26.17.09 - Bands, curved; Bars, curved; Curved line(s), band(s) or bar(s); Lines, curved").

⁴ In fact, the opposer in *Saint-Gobain* asserted a claim for "indefiniteness," alleging that "because the descriptions of the marks in the respective application and registrations do not specify

BMC further asserts that a false statement cannot be material unless the statement impacts the examining attorney’s “determination to grant the applications.” 5 TTABVue 6. Though many fraud cases involve misrepresentations that ultimately impact the decision of whether to grant a registration, there is no strict authority that cabins the materiality requirement to those circumstances. Moreover, such a rule is inconsistent with the Federal Circuit’s seminal decision *In re Bose Corp.*, where the 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.” 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). The rule suggested by BMC is also inconsistent with longstanding Board precedent which leaves open the possibility that fraudulent or inequitable conduct beyond the context of misrepresentations in a trademark application may nevertheless bar an applicant from receiving a registration. *See, e.g., Winnebago Indus., Inc. v. Oliver & Winston, Inc.*, 207 USPQ 335, 344 (TTAB 1980) (fraudulent and intentional use of trademark registration symbol to deceive consumers may “constitute a bar to the registration of applicant’s mark”); *see also Team Int’l Mktg. N.V. v. JMM Lee Props.*, No. 9205719, 2017 WL 1684187 (TTAB Mar. 30, 2017) (reaffirming availability of registration bar where applicant has fraudulently misused the federal registration symbol).

Accordingly, while the theory underlying Baker Hughes’ fraud claim may involve less run-of-the-mill facts than other cases, BMC cannot seize upon that difference to obtain dismissal simply because it has engaged in an uncommon form of fraudulent activity. The Board should therefore reject dismissal on these grounds.

the exact shade of yellow or blue, or any color, the application and registrations are for more than one mark.” 66 USPQ2d at 1358. The Board characterized the claim as addressing “an ex parte examination issue, namely, whether the description of the mark is adequate.” *Id.* at 1359. As such, the nature of the claim in *Saint-Gobain* fundamentally differs from Baker Hughes’ fraud claim in this case, which alleges that BMC knowingly and deliberately submitted a false description of its mark.

Finally, in the unlikely event the Board finds that Baker Hughes' allegations fail to state a claim upon which relief can be granted, Baker Hughes requests that the Board allow it an opportunity to file an amended pleading consistent with the Board's findings. *See* § TBMP 503.03 (if 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"); *see also Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1208 (TTAB 1997) (allowed time to perfect fraud claim); *Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711, 1714 (TTAB 1993) ("[T]he Board freely grants leave to amend pleadings found, upon challenge under Fed. R. Civ. P. 12(b)(6), to be insufficient, particularly where challenged pleading is the initial pleading").

C. Conclusion

BMC's motion to dismiss falls far short of demonstrating that Baker Hughes' did not sufficiently plead its claim for fraud. Baker Hughes' allegations plausibly state that the Helix Logo is not a mobius, and BMC's assertions to the contrary are premised on a misapplication of the Rule 12(b)(6) standard. Further, Baker Hughes' allegations plausibly state that BMC's misrepresentations are material in that BMC made them with an intent to deceive the USPTO, in an effort to improperly gain a litigation advantage over Baker Hughes by inducing the USPTO to find the parties' marks confusingly similar. The Board should deny BCM's motion.

Dated: October 5, 2020

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that a copy of OPPOSER'S REPLY IN SUPPORT OF MOTION TO SUSPEND FOR CIVIL ACTION was served on Applicant's counsel by email on October 5, 2020:

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