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

Proceeding	91267957
Party	Plaintiff Dagamma Ecommerce Solutions Inc.
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proceeding Opposer may assert how these actions deprive Applicant of an entitlement to a registration. Finally, Opposer has sufficiently demonstrated its entitlement to bring this action based on its real interest in the proceeding and reasonable belief that it will be damaged.

B. The Movant's Burden Under FRCP 12(b)(6)

A motion to dismiss under Fed. R. Civ. P. 12(b)(6) for failure to state a claim upon which relief can be granted tests only the legal sufficiency of the allegations in a complaint. *See Lewis Silkin LLP v. Firebrand LLC*, 129 USPQ2d 1015, 1016 (TTAB 2018); *Order of Sons of Italy in Am. v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1222 (TTAB 1995); TBMP § 503.01. To state a claim upon which relief can be granted, and thus survive a motion to dismiss under Fed. R. Civ. P. 12(b)(6), Opposer need only allege facts which, if proved, would establish that it has 1) an entitlement to a statutory cause of action under Section 13 or 14 of the Trademark Act and 2) a valid statutory ground exists for opposing the subject application or cancelling the subject registration. *See Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007). In a Rule 12(b)(6) motion to dismiss, all well pleaded allegations in the Notice of Opposition or Petition to Cancel must be accepted as true and the claims must be construed in the light most favorable to the non-moving party. TBMP §503.02; *Young v. AGB Corp.*, 152 F.3d. 1377, 1379 (Fed. Cir. 1998). Dismissal is appropriate if it is clear that no relief can be granted under any set of facts that could be proved consistent with the allegations. *Young v. AGB Corp.*, 152 F.3d 1377 (Fed. Cir. 1998). Fed. R. Civ. P. 8(a)(2) requires that a pleading contain a “short and plain statement of the claim showing that the pleader is entitled to relief.” The Rule does not require detailed factual allegations, but requires more than labels, conclusions, formulaic recitations of the elements of a cause of action, or naked assertions. *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 Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)); *see also Lewis Silkin LLP v. Firebrand LLC*, 129 USPQ2d at 1016; TBMP § 309.03(a)(2). In the context of *inter partes* proceedings before the Board, a plaintiff need only allege enough factual matter to suggest that its claim is plausible and to “raise a right to relief above the speculative level.” *Twombly*, 550 U.S. at 555-56. Under the simplified notice pleading rules of the Federal Rules of Civil Procedure, the allegations of a complaint should be “construed as to do substantial justice.” *See Scotch Whisky Ass’n v. U.S. Distilled Prods. Co.*, 952 F.2d 1317, 21 USPQ2d 1145, 1147 (Fed. Cir. 1991). In Board *inter partes* proceedings, to sufficiently plead entitlement to a statutory cause of action under Sections 13 or 14 of the Trademark Act, a plaintiff must allege that denial of registration or cancellation of the registration is within the zone of interests protected by the statute and that the plaintiff has a reasonable belief of damage proximately caused by continued registration of the mark. *Peterson v. Awshucks SC, LLC*, 2020 USPQ2d 11526, at *5 (TTAB 2020); *see also Corcamore, LLC v. SFM, LLC*, 978 F.3d 1298, 2020 USPQ2d 11277, at *6-7 (Fed. Cir. 2020); *Australian Therapeutic*, 2020 USPQ2d 10837 at *3; *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058 (Fed. Cir. 2014); *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1727 (Fed. Cir. 2012); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999).

C. Opposer has Properly Alleged Actionable Fraud by Applicant

To properly plead a claim of fraud in the procurement or maintenance of a registration, a petitioner must sufficiently allege that 1) the respondent made a false representation (misrepresentation) to the USPTO; 2) the false representation is material to the determination of registrability (or maintenance) of a mark; 3) the respondent had knowledge of the falsity of the

representation; and 4) the respondent made the representation with the intent to deceive the USPTO to issue (or maintain) the registration. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). The circumstances constituting fraud must be alleged “with particularity”; however, knowledge and intent may be alleged “generally.” Fed. R. Civ. P. 9(b). A pleading that simply alleges the substantive elements of fraud, without setting forth the particularized factual bases for the allegations, does not satisfy Fed. R. Civ. P. 9(b). *See Petroleos Mexicanos v. Intermix S.A.*, 97 USPQ2d 1403, 1407 (TTAB 2010) (citing *W. Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478 (TTAB 2009)) (elements of fraud must be pleaded with particularity).

With respect to claims of fraud in obtaining a registration, the materiality of any statement made in an application is determined in the context of whether the statement is critical to the examining attorney’s decision to approve a mark for publication. *See Morningstar Mortgage LLC v. Mujahid Ahmad*, 112 USPQ2d 1361 (TTAB 2014); *Standard Knitting, Ltd. v. Toyota Jidosha K. K.*, 77 USPQ2d 1917, 1926 (TTAB 2006). “Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application.” *In re Bose Corp.*, *supra*. Federal Rule of Civil Procedure 9(b), applicable to Board proceedings under 37 C.F.R. § 2.116(a), requires that “[i]n alleging fraud or mistake, a party must state with particularity the circumstances constituting fraud or mistake.” Fed. R. Civ. P. 9(b). But, the rule explains, “[m]alice, intent, knowledge, and other conditions of a person’s mind may be averred generally.” *Id.* We have construed the rule to require “identification of the specific who, what, when, where, and how of the material misrepresentation or omission committed before the [US]PTO.” *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1328 (Fed. Cir. 2009) (construing Rule 9 in the context of pleading inequitable conduct in patent cases).

In the Notice of Opposition that is the subject of the instant Motion, Opposer set forth the specific actions that constituted acts of fraud before the USPTO. The Notice of Opposition states, in pertinent, part:

9. . . . Applicant took intentional actions to conceal that the goods being sold under Applicant's mark were those which only Opposer could sell within the United States by placing Applicant's own label over the original manufacturing information printed on the fetal heart monitor to intentionally conceal the fact that Applicant's goods were actually the fetal heart monitors exclusively sold by Opposer within North America.

11. Accordingly, at the time Applicant filed the application, Applicant knew that it was not legitimately using Applicant's mark in lawful commerce in the United States on or in connection with the Applicant's goods.

12. In addition, the specimens submitted by Applicant with the Application consisted of either the image of Opposer's own fetal heart monitors which Applicant was passing off as Applicant's Goods, an image of which shows a mark on goods which does not match the drawing of Applicant's mark as applied, and/or digitally created mockups of Applicant's Goods purportedly showing Applicant's mark but which do not actually show the bona fide actual use of Applicant's mark in the ordinary course of trade at the time Applicant filed the application.

13. Moreover, upon information and belief, at the time Applicant filed the Application, Applicant knew that the specimens of usage of Applicant's Goods submitted with the application a) were not Applicant's own products but were instead Opposer's own fetal heart monitors which Applicant was passing off as Applicant's goods and/or b) were digital mockups of Applicant's goods and did not reflect the bona fide actual use of Applicant's mark on Applicant's goods in the ordinary course of trade at the time Applicant filed the Application.

14. Accordingly, upon information and belief, Applicant knew that it was not using Applicant's mark in commerce in the United States on Applicant's Goods and/or that the attached specimens did not reflect actual usage of Applicant's mark on Applicant's Goods, and based on said knowledge, Applicant knew that the sworn declaration regarding Applicant's use of Applicant's Mark in commerce as of the filing date was false and/or knew that the specimens submitted did not reflect Applicant's own actual use of Applicant's Mark in commerce on or in connection with Applicant's Goods.

15. Upon information and belief, Applicant knowingly made these statements to the USPTO with an intent to deceive and in order to induce the USPTO to register Applicant's Mark despite Applicant's Mark not being actively used in commerce by Applicant in connection with Applicant's Goods, and the USPTO relied upon such representations in approving Applicant's mark for publication.

16. The USPTO would not have approved Applicant's mark but for Applicant's knowingly false representations regarding Applicant's use of Applicant's Mark and

regarding the specimens submitted by Applicant purportedly showing use of Applicant's Mark in connection with Applicant's Goods.

17. As a result of Applicant's material false representations to the USPTO concerning Applicant's use of Applicant's Mark and its specimens of usage, Applicant was successful in procuring favorable examination, approval, and publication of the Application through an act of fraud on the USPTO.

...

19. Opposer requests that the Applicant's Mark be refused registration on the ground that Applicant committed intentional fraud on the USPTO in filing the application upon which the USPTO relied upon in approving the Application for publication. See *Torres v Cantine Torresella S.r.l.*, 808 F.2d 46, 1 U.S.P.Q.2d 1483 (Fed. Cir. 1986); *In re Bose. Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009). Alternatively, Opposer requests that Applicant's Mark be refused registration on the ground that Applicant's Mark was not in use in commerce before the application was filed in violation of Section 1(a) of the Lanham Act, 15 U.S.C. 1051(a).

See 1 TTABVue 3-5.

In *Kaszuba v Iancu*, Case No. 2019-1547 (Fed. Cir. August 5, 2020), the Federal Circuit agreed with the Board's conclusion that HVL had sufficiently pled its claim of fraud by alleging that: (1) Kaszuba submitted fabricated specimens during prosecution of his trademark; (2) Kaszuba knew that his representation was false at the time he signed the statement of use in his application; (3) this false representation was material to the USPTO's examination of Kaszuba's application for registrability; and (4) Kaszuba intended to deceive the USPTO into issuing the registration. These allegations satisfied the required who, what, when, where and how of the material misrepresentations or omissions before the USPTO. They do so in this matter as well.

Applicant's repeated references to the Opposer's reliance on "information and belief" in some of its averments as indicating that the pleading referring to fraud lacked the requisite degree of particularity. However, the documents and testimony necessary to prove these allegations lies solely with the Applicant and can be disclosed in discovery. On a motion to dismiss pursuant to Rule 12(b)(6), the issue is not whether Opposer can prove its allegations of fraud and intent to

deceive on the merits. Instead, the Board must look to whether the Opposer has pled its fraud claim with enough particularity. In short, Opposer has. Applicant has been placed on notice of the specific actions alleged to be fraudulent.

D. Opposer has also Properly Alleged that the Applicant has not Used its Trademark in Commerce on or prior to the application filing date in contradiction to Sections 1051(a) and 1127 of the Trademark Act.

The same facts pleaded in the Notice of Opposition and noted above also state a cause of action that Applicant did not make a bona fide use of its NEEVA BABY mark on or before the filing date of its trademark application. Applicant filed its application to register the trademark NEEVA BABY on June 9, 2020 based on use in commerce under Section 1(a) of the Trademark Act.

Under Section 1(a) of the Trademark Act, a mark may not be registered unless it is “used in commerce.” 15 USC §1051(a). Section 45 of the Trademark Act defines “use in commerce” as follows:

The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade. . . (1) on goods when – (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto. . .”

Regarding the definition of the term “bona fide,” the CAFC stated in *MZ Berger & Co. v Swatch AG* 787 F.3d 1368, 1375 (Fed. Cir. 2015): “There is no statutory definition of the term ‘bona fide,’ but the language is clear on its face that an applicant’s intent must be ‘under circumstances showing the good faith of such person.’” Similarly, Black’s Law Dictionary online (<https://thelawdictionary.org/bona-fide/>), defines “bona fide” as:

In or with good faith; honestly, openly, and sincerely; without deceit or fraud.

Truly; actually; without simulation or pretense. Innocently; in the attitude of trust and confidence; without notice of fraud, etc.

An application filed under Section 1(a) of the Trademark Act is *void ab initio* where it is found that there was no (bona fide) use of the mark in commerce on the identified goods prior to the filing date of the application. *See Couture v. Playdom, Inc.*, 778 F.3d. 1379, 113 USPQ2d 2042, 2043 (Fed. Cir. 2015).

Further, while a party need not be a manufacturer of goods to own and register a trademark, it must be someone in the normal channels of distribution, including a contract purchaser who has the goods manufactured for it, and a retailer or merchant if it applies or has someone on its behalf apply its own trademark to goods to which it has acquired ownership and title.

Opposer has alleged in the Notice of Opposition that it is the exclusive and only owner within North America of the products that Applicant purported to be selling under its trademark at the time Applicant filed the application (1 TTABVUE 2, ¶7), that Applicant was not making, manufacturing, or procuring from third party sources any private label fetal heart monitors or related heartbeat measuring apparatuses that it could lawfully re-sell under its own purported brand name (1 TTABVUE 2-3, ¶8), and that Applicant intentionally concealed information that would connect the goods to the Opposer by placing its own label over the original manufacturing identification information (1 TTABVUE 3, ¶9).

In paragraph 13 of the Notice of Opposition, Opposer also alleges, on information and belief, that the specimens of use submitted with the application were digital mockups of Applicant's goods and did not reflect the bona fide or actual use of the Applicant's Mark on Applicant's Goods in the ordinary course of trade. Trademark Manual of Examining Procedure

Examination Guide 3-19 (<https://www.uspto.gov/sites/default/files/documents/TM-ExamGuide-3-19.pdf>) clearly warns of the danger of digitally altered or mocked up specimens and directs examining attorneys as follows: “If the specimen appears to be digitally created/altered or otherwise mocked up, the examining attorney must issue a refusal under Trademark Act Sections 1 and 45 on the ground that the specimen does not appear to show actual use of the applied-for mark in commerce. 15. U.S.C. §§ 0151, 1127; TMEP §904.04(a). . .”

E. Opposer is Entitled to Bring this Action.

Although Applicant argues that Opposer fails to plead standing in this Opposition proceeding, it is improper to discuss requirements for establishing a statutory cause of action in terms of “standing.” *Lexmark Int’l, Inc. v Static Control Components, Inc.*, 572 U.S. 118, 128 n.4 (2014); *Australian Therapeutic v. Naked TM*, LLC, 965 F. 3d 1370 (Fed Cir. 2020); *Ritchie v. Simpson*, 17 F.3d. 1092, 1094 (Fed. Cir. 1999) (“‘case’ and ‘controversy’ restrictions for standing do not apply to matters before administrative agencies and boards such as the PTO.”) The requirements to bring an opposition or cancellation proceeding are appropriately viewed as interpretations of a statutory cause of action.

It has long been held that an opposer is required to show that he has a “real interest” in the outcome of a proceeding in order to have standing. *See, e.g., Universal Oil Prod. Co. v. Rexall Drug & Chem. Co.*, 59 C.C.P.A. 1120, 463 F.2d 1122, 1123, 174 USPQ 458, 459 (C.C.P.A.1972) (“Standing, within the meaning of §13, is found when the opposer establishes a real interest in the proceeding.” (internal citation omitted)). This “real interest” requirement stems from a policy of preventing “mere intermeddlers” who do not raise a real controversy from bringing oppositions or cancellation proceedings in the PTO. *See Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 1028, 213 USPQ 185, 189 (C.C.P.A. 1982); *Tanners’ Council v. Gary Industries, Inc.*, 440 F.2d

1404, 1406, 169 USPQ 608, 609 (C.C.P.A. 1971); *Singer Mfg. Co. v. Birginal-Bigsby Corp.*, 50 C.C.P.A. 1380, 319 F.2d 273, 276-77, 138 USPQ 63, 66 (C.C.P.A. 1963) (an opposer who was not an intermeddler was permitted to oppose a mark.) Pursuant to the “real interest” requirement, an opposer to a registration is required to have a legitimate personal interest in the opposition. *See Lipton*, 670 F.2d at 1029, 213 USPQ at 189. In other words, the opposer must have a direct and personal stake in the outcome of the opposition. *See Sygenta Crop Protection Inc. v. Bio-Check LLC*, 90 USPQ2d 1112, 1117 (TTAB 2009) (“Proof of standing in a Board proceeding is a low threshold, intended only to ensure that the plaintiff has a real interest in the matter and is not a mere intermeddler.”).

In this Opposition, Opposer has established one or more statutory grounds for seeking to oppose the NEEVA BABY trademark application. Therefore, the question before the Board and is whether Opposer has demonstrated its entitlement to bring the action. In this matter, Opposer has pleaded a legitimate commercial interest in the outcome of the proceeding.

In order to come before the Board, Opposer must pass the “real interest test” and the “reasonable belief test”. The first requires a showing that the Opposer has a real interest in the outcome of this proceeding. For the purpose of the Motion, the facts pleaded by Opposer must be viewed in a light most favorable to the opposer.

Opposer’s real interest in the proceeding arises out of its contention that Applicant, at the time of the Application was filed, was not applying the trademark to Applicant’s own procured products, but instead to products that Applicant acquired and re-sold in violation of Opposer’s exclusive rights to sell such products within the U.S. by Opposer. This gives the Opposer a direct and personal interest in the matter and clearly sets it apart from being a “mere intermeddler.” Opposer also meets the “reasonable belief test” which requires only that the party seeking relief

believe it is likely to be damaged by the registration. *Cunningham v Laser Golf Corp* 222 F. 3d 943 (Fed. Cir., 2000). The nature of the damage is set forth in the opposition and Opposer's reasonable belief is established by the obvious loss caused by the distribution of the devices by Applicant.

Cases have long permitted opposition on statutory grounds other than those pled by Opposer. *See Community of Roquefort v Santo* 170 U. S. R. Q. 205, 208 (CCPA 1971) (entertaining an opposition under section I (now section I (a)) on the ground that applicant failed to use his mark "in commerce"); *Universal Overall Co v. Stonecutter Mills Corp*, 154 USPQ 104, 105 (CCPA 1967) (entertaining an opposition on the ground that the application contained fraudulent information); *Best Lock Corp u. Schlage Lock Co* 162 US PQ 552, 555 CCPA 1969) (entertaining an opposition on the grounds that the subject matter of applicant's registration was functional).

F. Conclusion

As Opposer has pled valid causes of action, including for fraud, and has established that it has a personal interest in the outcome of this matter and a reasonable belief that it will be damaged by the registration of the Applicant's Mark, Opposer respectfully requests that the Motion to Dismiss be denied in its entirety.

Dated: May 3, 2021

Respectfully Submitted

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CERTIFICATE OF SERVICE

I hereby certify that on May 3, 2021, I served a true and correct copy of the above **OPPOSER’S RESPONSE IN OPPOSITION TO APPLICANT’S MOTION TO DISMISS PURSUANT TO FED. R. CIV. P. 12(B)(6)** via email, upon the following:

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