

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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RSC

August 2, 2021

Opposition No. 91267957

Dagamma Ecommerce Solutions Inc.

v.

Sebe Inc.

By the Trademark Trial and Appeal Board:

This case now comes before the Board for consideration of Applicant’s April 15, 2021, motion to dismiss Opposer’s notice of opposition for failure to state a claim upon which relief can be granted under Fed. R. Civ. P. 12(b)(6). The motion is fully briefed.

The Board has carefully reviewed all of the parties’ arguments, presumes the parties’ familiarity with the factual bases for Applicant’s motion, and does not recount the facts or arguments here, except as necessary to explain the decision.

I. Background

Applicant seeks registration of the mark NEEVA BABY (standard characters) for “fetal heartbeat monitors; heartbeat measuring apparatus” in International Class

10.¹ Opposer has opposed registration on the grounds of nonuse and fraud. Applicant filed its motion to dismiss in lieu of an answer.

II. Applicant's Motion to Dismiss

A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the sufficiency of the complaint. *Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *Covidien LP v. Masimo Corp.*, 109 USPQ2d 1696, 1697 (TTAB 2014); *NSM Research Corp. v. Microsoft Corp.*, 113 USPQ2d 1029, 1032 (TTAB 2014). To withstand a motion to dismiss, a plaintiff need only allege facts that, if proved, would allow the Board to conclude, or to draw a reasonable inference, that (1) the plaintiff is entitled to a statutory cause of action to maintain the proceeding, and (2) a valid ground exists for seeking to oppose the registration. *See, e.g., Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982); *Nike, Inc. v. Palm Beach Crossfit Inc.*, 116 USPQ2d 1025, 1028 (TTAB 2015).

For purposes of determining a motion to dismiss for failure to state a claim, the complaint must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(e). *IdeasOne Inc. v. Nationwide Better Health*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007). “Threadbare recitals of the elements of a cause of

¹ Application Serial No. 88955330, filed June 9, 2020, based on use in commerce under Trademark Act Section 1(a), 15 U.S.C. § 1051(a). The application includes a disclaimer to the term “BABY”.

action, supported by mere conclusory statements, do not suffice” and are not accepted as true. *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (citing *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007)). However, all well-pleaded, material allegations in the complaint are accepted as true and construed in the light most favorable to the plaintiff. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1027 (Fed. Cir. 1999); *Young*, 47 USPQ2d at 1754; *Advanced Cardiovascular Sys.*, 26 USPQ2d at 1041; *Fair Indigo*, 85 USPQ2d at 1538.

A. Entitlement to a Statutory Cause of Action

To establish entitlement to a statutory cause of action under Sections 13 or 14 of the Trademark Act, “a plaintiff must demonstrate ‘an interest falling within the zone of interests protected by the statute and ... proximate causation.’”² *Philanthropist.com, Inc. v. The General Conference Corp. of Seventh-Day Adventists*, 2021 USPQ2d 643, at *12 (TTAB 2021) (quoting *Corcamore, LLC v. SFM, LLC*, 978 F.3d 1298, 2020 USPQ2d 11277, at *4 (Fed. Cir. 2020)). In other words, a plaintiff must demonstrate a real interest in the proceeding and a reasonable belief of damage by the registration of the trademark. *Id.* at *12-13 (quoting *Corcamore*, 2020 USPQ2d 11277, at *7).

² Board decisions have previously analyzed the requirements of Sections 13 and 14 of the Trademark Act, 15 U.S.C. §§ 1063-64, under the rubric of “standing.” However, mindful of the Supreme Court’s direction in *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 125-26 (2014), the Board now refers to this inquiry as entitlement to a statutory cause of action. *Australian Therapeutic Supplies Pty. Ltd.*, 2020 USPQ2d 10837 at *3 (citing *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 109 USPQ2d 2061, 2067 n.4 (2014)); see also *Empresa Cubana Del Tabaco*, 111 USPQ2d 1061. Despite the change in nomenclature, the Board’s prior decisions and those of the Federal Circuit interpreting Sections 13 and 14 remain equally applicable.

Opposer has not pleaded sufficient allegations of damage caused by the registration of Applicant's mark. Opposer has not alleged any trademark interest, such as the right to use Applicant's mark descriptively, refusal of Opposer's application because of Applicant's involved mark, or prior use of a confusingly similar mark. *See* TBMP § 309.03(b). Rather, Opposer's allegations that Applicant unlawfully re-sells Opposer's products under Applicant's mark is in the nature of unfair competition, which is outside the Board's jurisdiction. *Person's Co. v. Christman*, 900 F.2d 1565, 14 USPQ2d 1477, 1481 (Fed. Cir. 1990); *see also* TBMP § 102.01. Accordingly, Opposer has failed to sufficiently plead its entitlement to a cause of action.

B. Nonuse

Opposer alleges that, as of the filing date of its application, "Applicant was not making, manufacturing, or procuring" any goods "it could lawfully re-sell" but was rather acquiring Opposer's goods and re-selling them under Applicant's mark "by placing Applicant's own label over the original manufacturing identification information printed" on the goods, and thus Applicant was "not legitimately using [it's mark] in lawful commerce in the United States".³ Because Opposer's allegations are that Applicant's use of its mark is not lawful, the Board construes these allegations as claim of nonuse based on unlawful use.

An allegation of nonuse based on unlawful use requires an allegation that either:
(1) noncompliance has been previously determined by a court or agency with

³ Notice of Opposition, ¶¶ 8-9, 11 (1 TTABVue 4-5).

competent jurisdiction under the involved statute; or (2) there has been a per se violation of a statute regulating the defendant's application-relevant activities. *In re Brown*, 119 USPQ2d 1350, 1351 (TTAB 2016); *Kellogg Co. v. New Generation Foods, Inc.*, 6 USPQ2d 2045, 2047 (TTAB 1988); *Satinine Societa in Nome Collettivo di S.A. e M. Usellini v. P.A.B. Produits et Appareils de Beaute*, 209 USPQ 958, 964 (TTAB 1981). Here, Opposer has not alleged either that a court or other agency has previously determined that Applicant was in violation of a statute, or that Applicant has engaged in a per se violation of a statute. Moreover, Opposer has not expressly identified any statute with which Applicant has allegedly failed to comply. In view of the foregoing, Opposer's claim of nonuse based on unlawful use is insufficiently pleaded.

C. Fraud

A legally sufficient pleading of fraud in the procurement of a registration requires allegations that: (1) applicant made a false representation to the USPTO; (2) the false representation is material to the registrability of the mark; (3) applicant had knowledge of the falsity of the representation; and (4) applicant made the representation with intent to deceive the USPTO in order to obtain or maintain a registration to which it otherwise was not entitled. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009); *Freki Corp. N.V. v. Pinnacle Entm't, Inc.*, 126 USPQ2d 1697, 1702 (TTAB 2018). The pleadings must "contain explicit rather than implied expression of the circumstances constituting fraud." *King Auto., Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 USPQ 801, 803 (CCPA 1981). In

determining the sufficiency of fraud allegations, Fed. R. Civ. P. 9(b) requires identification of the specific who, what, when, where, and how of the material misrepresentation or omission committed before the USPTO. *See Petroleos Mexicanos v. Intermix S.A.*, 97 USPQ2d 1403, 1407 (TTAB 2010) (elements of fraud must be pleaded with particularity); *Asian & W. Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478 (TTAB 2009) (same). Knowledge and intent, as conditions of the mind of a person, may be averred generally in support of an allegation of fraud. *See Fed. R. Civ. P. 9(b); DaimlerChrysler Corp. v. Am. Motors Corp.*, 94 USPQ2d 1086, 1088 (TTAB 2010). However, any allegations based on “information and belief” must be accompanied by a statement of facts upon which the belief is founded. *See Asian & W. Classics*, 92 USPQ2d at 1479 (citing *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 91 USPQ2d 1656, 1670 n.7 (Fed. Cir. 2009)).

Opposer’s fraud claim is based, in part, on Applicant’s alleged unlawful use, including allegations of nonuse and that Applicant submitted a specimen consisting of Applicant’s efforts to “pass off” Opposer’s goods as its own. A claim of fraud may be based on allegations of unlawful use, however, as discussed above, Opposer fails to sufficiently allege unlawful use.

Opposer also alleges fraud based on the specimens submitted in support of Applicant’s application inasmuch as they “consisted of either ... an image which shows a mark on goods which does not match the drawing of Applicant’s Mark as applied, and/or digitally created mockups”.⁴

⁴ Notice of Opposition, ¶¶ 11-12 (1 TTABVUE 5).

To the extent Opposer alleges fraud based on an allegedly unacceptable specimen, the acceptability of a specimen of use is a determination made by an examining attorney with regard to examination requirements, and such determinations do not constitute statutory grounds for refusal of registration, and cannot form the basis of an inter partes challenge to the registrability of the mark. *See AS Holdings, Inc. v. H & C Milcor, Inc.*, 107 USPQ2d 1829, 1833 (TTAB 2013) (citing *Young*, 47 USPQ2d 1752); *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355, 1358 (TTAB 1989) (insufficiency of the specimens, per se, does not constitute grounds for cancellation); *Century 21 Real Estate Corp. v. Century Life of Am.*, 10 USPQ2d 2034, 2035 (TTAB 1989) (adequacy of specimens is solely a matter of ex parte examination).

A claim of fraud may be based on an assertion that the applicant submitted a fabricated specimen. *Nationstar Mortgage LLC v. Ahmad*, 112 USPQ2d 1361, 1365 (TTAB 2014). However, it is not clear from the notice of opposition if Opposer is alleging fabrication of a specimen, nor has Opposer alleged any facts in support of its allegation that Applicant submitted a “digital mock-up”. Additionally, Opposer makes extensive use of the conjunction “and/or” in its fraud claim. Because Opposer has pleaded fraud in possible alternatives, not all of which would constitute fraud, the claim lacks the requisite specificity and is also insufficiently pleaded.

Based on the foregoing, Applicant’s motion to dismiss is **granted**.

Upon granting a motion to dismiss the Board typically allows a plaintiff the opportunity to cure a defective pleading. *See, e.g., Wise F&I, LLC v. Allstate Ins. Co.*, 120 USPQ2d 1103, 1110 (TTAB 2016); TBMP § 503.03. Accordingly, Opposer is

allowed until **September 1, 2021** by which to file and serve an amended notice of opposition, in which it may attempt to replead its entitlement to a statutory cause of action and its dismissed unlawful use and/or fraud claims, to the extent warranted by the facts, failing which this proceeding will be dismissed with prejudice.⁵

Applicant's deadline to file and serve an answer to the amended notice of opposition shall be **October 1, 2021**.

III. Proceeding Schedule

Proceedings are **resumed** on the following schedule:

Time to File Amended Notice of Opposition	9/1/2021
Time to Answer	10/1/2021
Deadline for Discovery Conference	10/31/2021
Discovery Opens	10/31/2021
Initial Disclosures Due	11/30/2021
Expert Disclosures Due	3/30/2022
Discovery Closes	4/29/2022
Plaintiff's Pretrial Disclosures Due	6/13/2022
Plaintiff's 30-day Trial Period Ends	7/28/2022
Defendant's Pretrial Disclosures Due	8/12/2022
Defendant's 30-day Trial Period Ends	9/26/2022
Plaintiff's Rebuttal Disclosures Due	10/11/2022
Plaintiff's 15-day Rebuttal Period Ends	11/10/2022
Plaintiff's Opening Brief Due	1/9/2023
Defendant's Brief Due	2/8/2023
Plaintiff's Reply Brief Due	2/23/2023
Request for Oral Hearing (optional) Due	3/5/2023

⁵ If there is a related pending proceeding at the time Opposer files its amended notice of opposition, then Opposer should so notify the Board so that the Board can determine if suspension of its proceedings is warranted. *See* TBMP § 510.02(a).

The Federal Rules of Evidence generally apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125. These include pretrial disclosures, the manner and timing of taking testimony, matters in evidence, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition transcripts and stipulated evidence. Trial briefs shall be submitted in accordance with Trademark Rules 2.128(a) and (b). Oral argument at final hearing will be scheduled only upon the timely submission of a separate notice as allowed by Trademark Rule 2.129(a).