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

Proceeding	91269953
Party	Plaintiff RE/MAX, LLC
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

RE/MAX, LLC, a Delaware	)	
Limited Liability Company	)	
	)	
Opposer,	)	
	)	
v.	)	Opposition No. 91269953
	)	
SAVE MAX REAL ESTATE INC.,	)	Applicant's Mark:
a Canadian Corporation	)	SAVE MAX
	)	
Applicant.	)	

**OPPOSER'S MOTION TO DISMISS APPLICANT'S COUNTERCLAIMS**

Opposer, RE/MAX, LLC (“Opposer”), by its attorneys, moves the Trademark Trial and Appeal Board (the “Board”) to dismiss the counterclaims filed by Save Max Real Estate Inc. (“Applicant”) for failure to state a claim upon which relief can be granted under Federal Rule 12(b)(6).

**INTRODUCTION**

There is no doubt that “RE/MAX” is a well-known, famous trademark in the United States. Beginning at least as early as 1973, Opposer and the RE/MAX Network<sup>1</sup> have provided real estate brokerage services throughout the United States in connection with Opposer’s distinctive, federally registered service marks, "RE/MAX" and "REMAX". 1 TTABVue 1. Opposer owns the following valid U.S. trademark registrations, (the “RE/MAX Marks”), among others:

Mark	Reg. No.	Goods/Services	Filing Date
RE/MAX	1,139,014	rendering technical aid and assistance to others in the establishment and operation of a real estate brokerage agency. real estate brokerage services.	01/21/77
REMAX	2,106,387	real estate brokerage services	03/07/96

<sup>1</sup> Opposer provides real estate brokerage services throughout the United States and in numerous foreign countries through a network of sub-franchisors, franchisees, and affiliated sales agents who are authorized to use Opposer's registered service marks in connection with real estate brokerage services (the “RE/MAX Network”).

REMAX	2,054,698	franchise services, namely, offering technical assistance in the establishment and/or operation of real estate brokerage firms.	03/07/96
RE/MAX	2,403,626	providing a website on global computer networks featuring information in the field of	05/24/99
<a href="http://REMAX.COM">REMAX.COM</a>	2,850,996	Franchising services, namely, offering technical assistance in the establishment and/or operation of real estate brokerage offices.	06/26/03
RE/MAX	3,287,530	franchising, namely consultation and assistance in business management, organization and promotion; franchising, namely, offering technical assistance in the establishment and/or operation of real estate brokerage offices; creating and updating advertising material; advertising via electronic media and specifically the Internet; real estate advertising services; distribution and dissemination of advertising materials; arranging and conducting trade shows in the field of real estate and real estate franchise services; moving and relocation services, namely planning and implementing moves of homes and offices; personnel relocation; transportation logistics services, namely, arranging the transportation of household goods for others; business services, namely, registering, screening, credentialing, and organizing third-party vendors, suppliers, and contractors, on behalf of others; promoting the goods and services of others by providing hypertext links to the web sites of others; promoting public awareness of the need for breast cancer screening; providing consumer information in the field of real estate; real estate marketing services, namely, on-line services featuring tours of residential and commercial real estate; referrals in the field of real estate brokerage; real estate networking referral services, namely, promoting the goods and services of others by passing business leads and referrals; subscription to a television channel; real estate auctions.	11/17/06

RE/MAX	3,296,461	real estate brokerage; real estate agencies; agencies or brokerage for renting of land and buildings; real estate valuation services; real estate consultancy; providing real estate listings and real estate information via the Internet; real estate management; organizing preferred provider programs in the field of products and services to support real estate brokers and agents in the operation of their real estate businesses and in the marketing of their professional services; providing information in the field of real estate via the Internet; raising funds for breast cancer screening and treatment, health education projects, and breast cancer research; financial sponsorship of programs that benefit the health and well-being of women and children; insurance brokerage; charitable fund raising	11/17/06
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Moreover, since at least as early as 1974, Opposer and the RE/MAX Network, which are over 130,000 in number, have collectively invested billions of dollars to develop, promote and maintain the RE/MAX Marks in the United States and worldwide. *Id.* at 3. The RE/MAX Network has used the RE/MAX Marks in connection with representing either the buyer or the seller over 25 million times in real estate sale transactions in the United States and worldwide, resulting in over five trillion dollars in sales volume from 1973 to the present. *Id.* at 4.

As a result of longstanding use, extensive advertising and promotion, and substantial sales, the RE/MAX Marks have become widely and favorably known as identifying real estate brokerage services originating from or associated with Opposer and the RE/MAX Network. *Id.* Indeed, Opposer’s RE/MAX Marks are famous. The public has come to associate Opposer’s RE/MAX Marks as a source indicator for high-quality real estate brokerage services and related services. *Id.*

Remarkably, Applicant claims that the RE/MAX Marks are a mirage — that consumers do not perceive the RE/MAX Marks as identifying high quality real estate services originating from one of the approximately 130,000 members of the RE/MAX Network, but rather perceive the RE/MAX Marks to signify a “common class or category of real estate services.” 4 TTABVUE 14.

Based on this incredulous assertion, Applicant seeks cancellation of Opposer's registrations based on (1) fraud and (2) genericness (the "Counterclaims"). Not surprisingly, Applicant's Counterclaims fail to state a claim for relief and should be dismissed at this early stage.

### **LEGAL STANDARD**

The purpose of Rule 12(b)(6) "is to allow the court to eliminate actions that are fatally flawed in their legal premises and destined to fail, and thus to spare litigants the burdens of unnecessary pretrial and trial activity." *Advanced Cardiovascular Sys., Inc. v. Scimed Life Sys., Inc.*, 988 F.2d 1157, 1160 (Fed. Cir. 1993). A motion to dismiss for failure to state a claim upon which relief can be granted is a test of the legal sufficiency of a complaint. *See id.* (Rule 12(b)(6) challenges the legal theory of the complaint not the sufficiency of the evidence that might be adduced). To withstand such a motion, a pleading must allege such facts as would, if proved, establish that the plaintiff is entitled to the relief sought, that is, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for denying the registration sought (in the case of an opposition), or for canceling the subject registration (in the case of a cancellation proceeding). *See Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998).

In adjudicating a motion to dismiss for failure to state a claim, the Board may consider documents referenced in the petition if their authenticity is not in dispute, they are central to petitioner's claim, or they are sufficiently referred to in the petition. *Schaefer v. IndyMac Mortg. Servs.*, 731 F.3d 98, 100 n.1 (1st Cir. 2013); *see also In re Stacs Elecs. Sec. Litig.*, 89 F.3d 1399, 1405 n.4 (9th Cir. 1996) (stating that "documents whose contents are alleged in a complaint and whose authenticity no party questions, but which are not physically attached to the pleading, may be considered" in a motion to dismiss). The consideration of such documents does not convert a motion to dismiss into a motion for summary judgment. *Id.*

## ARGUMENT

### 1. Applicant Fails to State a Claim for Fraud.

To properly plead that a registrant has committed fraud in the procurement of a registration, a petitioner must establish that: (i) the registrant made a false representation to the United States Patent and Trademark Office (“USPTO”); (ii) the false representation is material to the registrability of the mark; (iii) registrant had knowledge of the falsity of the representation; and (iv) registrant made the representation with intent to deceive the USPTO. *In re Bose Corp.*, 580 F.3d 1240, 91 U.S.P.Q.2d 1938, 1941 (Fed. Cir. 2009). An allegation of fraud is a disfavored defense and should not be taken lightly. *Aveda Corp. v. Evita Marketing, Inc.*, 12 USPQ2d 1091, 1096 (D. Minn. 1989); 2 McCarthy, *Trademarks and Unfair Competition 2d* § 31:21(B) (5).

“A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof.” *In re Bose Corp.*, 91 USPQ2d at 1941. Indeed, “the very nature of the charge of fraud requires that it be proven ‘to the hilt’ with clear and convincing evidence. *Id.* at 1939 (quoting *Smith Int’l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981)). While “[m]alice, intent, knowledge, and other conditions of a person’s mind may be alleged generally,” the law nonetheless requires a petitioner claiming fraudulent procurement to allege with particularity those facts tending to show that the registrant engaged in fraud in connection with its application. Fed. R. Civ. P. § 9(b). “Rule 9(b) requires that the pleadings contain explicit rather than implied expression of the circumstances constituting fraud.” *King Automotive, Inc. v. Speedy Muffler King, Inc.*, 212 USPQ 801 (C.C.P.A. 1981). If a pleading “raise[s] only the mere possibility that such evidence [of fraud] may be uncovered,” it “do[es] not constitute pleading fraud with particularity.” *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1428 (TTAB 2009).

#### A. No false statement is alleged.

Applicant does not allege that Opposer made any false statement to the USPTO. Moreover, when it filed its declarations in each of the applications for the RE/MAX Marks, Opposer's statement that no other person had the right to use "REMAX", "RE/MAX" and "REMAX.COM" in commerce on or in connection with the services in the application, was not false. Applicant attempts to cast doubt on this statement by alleging that "Opposer knew at the time of Opposer's application declarations and filing dates that 'REMAX' was an abbreviation for 'real estate maximums.'" 4 TTABVUE 6. Notwithstanding that Applicant has not alleged any facts demonstrating that RE/MAX was an abbreviation for "real estate maximums", that Opposer was aware of such alleged abbreviation, and that the term RE/MAX had been used generically in the industry at the time the applications for registration were filed, even assuming that Applicant's allegation is true (it is not), it does not prohibit Opposer from filing applications for the RE/MAX Marks or render any statement false.

Applicant further alleges that the RE/MAX Marks are generic because they consist "of generic terms ('RE', an abbreviation for 'Real Estate', and 'MAX', a common abbreviation for 'Maximum') and [are] simply 'joined to form a compound word that has a meaning identical to the meaning common meaning would ascribe to those words as a compound.'" *Id.* at 13. Again, even assuming that Applicant's allegation is true (it is not)<sup>2</sup>, it does not prohibit Opposer from filing applications for the RE/MAX Marks or render any statement in the application false. Applicant fails to cite to evidence that consumers recognized the RE/MAX Marks as standing for "real estate maximums." Regardless, the Board has held that the mere fact that consumers

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<sup>2</sup> Even if there was evidence showing that the combined elements were descriptive on their own (they are not), RE/MAX is a unitary mark that is not descriptive but rather categorized as a coined term that presents more than a merely generic meaning. *See* TMEP 1209.03(d) ("[A] mark comprising a combination of merely descriptive components is registrable if the combination of terms creates a unitary mark with a unique, nondescriptive meaning, or if the composite has a bizarre or incongruous meaning as applied to the goods.").

will recognize an abbreviation as standing for the wording it represents is insufficient to assert that the abbreviation is generic. *See Collaborative Continuing Educ. Council Inc.*, No. 91256129, 2021 WL 2769893, at \*4 (June 29, 2021).

Furthermore, there are not allegations that other businesses were using or were entitled to use “RE/MAX” to refer to their real estate services. Applicant’s allegations do not reference *any* third-party use of the term “RE/MAX”, let alone a reference to RE/MAX to refer to “real estate maximums” or real estate services. *See Beling*, 613 F. App'x at 926 (affirming Board’s grant of summary judgment on fraudulent procurement claim where appellant failed to produce evidence suggesting that appellee “knew that a confusingly similar mark was already in use or that [appellee] intended to deceive the PTO that such marks did not exist.”). In fact, Applicant’s evidence confirms that the source of the term RE/MAX at the time of filing the applications was Opposer. *See, e.g.*, 4 TTABVUE 50, Ex. G (1988 New York Times article listing RE/MAX as “the country's second largest [real estate] franchise”).

B. The alleged falsehood is not material.

The falsehood alleged by Applicant would not support a claim of fraud unless it was material to granting of U.S. registrations to the RE/MAX Marks. Applicant itself admits that Opposer did not have a duty to inform the USPTO of the alleged genericness of the RE/MAX Marks. 4 TTABVUE 7. Thus, even if a misrepresentation were made about the distinctiveness of the marks (there was none), it would be immaterial to the decision of the examiner to allow registration of the marks.

Moreover, even a knowing misrepresentation does not support a claim of fraud unless the registration would not or should not have issued *but for* the misrepresentation. *See* McCarthy on Trademarks and Unfair Competition (4<sup>th</sup> Ed.), § 31:67; *Morehouse Manufacturing Corporation*

*v. J. Strickland and Company*, 160 USPQ 715, 719 (CCPA 1969) (finding misrepresentation of the color of the product, was not a “material misrepresentation or one vital to overcoming the ground of rejection and hence insufficient to constitute a fraud on the Patent Office.”); *Hecon Corporation v. Magnetic Video Corporation*, 199 USPQ 502, 504 (TTAB 1978). Applicant does not allege that the RE/MAX Marks would not or should not have issued *but for* the (alleged) misrepresentation. Clearly, if the Trademark Office believed “RE/MAX” to be generic, it would have rejected the applications for the RE/MAX Marks and cited evidence to support the rejection. It of course never issued such a rejection.

C. The counterclaim fails to plausibly allege that a false statement was made knowingly and with intention to deceive.

The Supreme Court has held that "To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009), quoting *Twombly*, 550 U.S. 544, 570 (2007). The *Twombly* and *Iqbal* cases, interpreting Fed. R. Civ. P. 8(a)(2), added a requirement of "plausibility" to Rule 8(a)(2), which requires "a short and plain statement of the claim showing that the pleader is entitled to relief." The Court explained its new standard:

A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged. The plausibility standard... asks for more than a sheer possibility that a defendant has acted unlawfully. Where a complaint pleads facts that are 'merely consistent with' a defendant's liability, it 'stops short of the line between possibility and plausibility of 'entitlement to relief.'

Threadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice. ... But where the well-pleaded facts do not permit the court to infer more than the mere possibility of misconduct, the complaint has alleged -- but it has not 'show[n]' -- 'that the pleader is entitled to relief.' Fed. Rule Civ. Proc. 8(a)(2).

*Iqbal* at 678-679 (internal citations to *Twombly* omitted).

Applicant's allegations of a false statement made "knowingly" and "with intention to deceive" are couched in the language of mere speculation. Applicant has alleged that Opposer knew that "RE/MAX" was an abbreviated form of "real estate maximums" and that the term or phrase was commonly used in the real estate industry to refer to the class of services being offered, but alleges no basis for asserting that the term RE/MAX was an abbreviation of "real estate maximums", that the term was commonly used in 1996, and that Applicant knew of such use. From these alleged facts, Applicant asks the Board to speculate that deceptive statements were knowingly made by Opposer during the application process with respect to material issues with the intention of deceiving the Office. However, such speculation requires a leap of faith because the record is devoid of any facts suggesting that Opposer knew or had reason to believe that the term "RE/MAX" is the genus of Opposer's services.

Moreover, when considering evidence of an alleged failure to disclose facts related to genericism, courts may look for proof that the applicant or registrant *had knowledge tantamount to a legal conclusion* on the issues. *See Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*, 381 F.2d 879, 883–84 (7th Cir. 1967) (affirming lower court's dismissal of counterclaims that the plaintiff had obtained its trademark by fraud by stating that the plaintiff may have been mistaken in his statements to the Patent Office, but without evidence of bad faith); *Nissen Trampoline Co. v. Am. Trampoline Co.*, 193 F. Supp. 745, 755–56 (S.D. Iowa 1961) (concluding that registrant's knowledge of long prior use of the term "trampoline" to refer to a similar apparatus did not rise to the level of knowledge required for fraud in the Trademark Office where "[registrant] was the only commercial manufacturer of this type of portable gymnastic equipment and the only user of the term 'trampoline' as the name for said commercially manufactured equipment"); *Bart Schwartz Int'l Textiles, Ltd. v. FTC*, 289 F.2d 665, 670–72 (C.C.P.A. 1961) (finding that "[t]he

mere withholding of information as to the Italian word for 'fiocco' [was] not such a fraudulent withholding as to warrant cancellation" of the Plaintiff's "FIOCCO" mark). Opposer had no such knowledge because, at the time of submitting the application declarations, RE/MAX was not an abbreviation of "real estate maximums" and was not used in connection with real estate services by anyone other than Opposer and its licensees.

Further, even if the term "RE/MAX" was commonly used in the real estate industry to refer to the class of services being offered (it was not), and Opposer actually knew of such (it did not), and even if Applicant could truthfully allege that actual knowledge (it cannot), those allegations still would not suffice to plead fraud. The alleged genericness was not relevant to the registrability of the RE/MAX Marks, and would not, accordingly, have met the materiality standard. These allegations do not meet the plausibility standard of Rule 8(a)(2), and do not meet the heightened pleading standards of Rule 9(b). Accordingly, Applicant's first counterclaim should be dismissed for failure to state a claim.

**2. Applicant Fails to State a Claim for Genericness.**

The general presumption of validity resulting from federal registration "includes the specific presumption that the trademark is not generic." *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 604, 74 U.S.P.Q.2d 1897 (9th Cir. 2005) (quoting *Overland, Inc.*, 692 F.2d at 1254); *see also Stocker v. Gen. Conference Corp. of SeventhDay Adventists*, Cancellation Nos. 17554 & 18038, 39 U.S.P.Q.2d 1385, 1392 (T.T.A.B. 1996) ("Registration on the Principal Register of respondent's mark is prima facie evidence of the validity of that registration, 'and that includes the presumption that the mark subject thereof is not .... generic in relation to the goods [or services listed in the registration]'.") (citations omitted).

Because the RE/MAX Marks are registered, they are presumed to be valid and not generic. *See KP Permanent Make-Up*, 408 F.3d at 604; *Stocker*, 39 U.S.P.Q.2d at 1392. Here, the burden of proof rests squarely on Applicant who is asserting invalidity. *Id.* To overcome the presumption that the RE/MAX Marks are not generic, Applicant must designate specific facts in its counterclaim from which the Board can find that the RE/MAX mark is generic. *See Id.* Applicant has failed to meet this burden. Accordingly, Applicant's second counterclaim should be dismissed.

A. Applicant Has Failed to Allege Facts to Overcome the Presumption that the RE/MAX Marks are Valid and Not Generic.

The ultimate test in determining whether a mark is generic is to determine the primary significance of the mark to the relevant public. *See Baroness Small Estates, Inc. v. Am. Wine Trade, Inc.*, 104 U.S.P.Q.2d 1224, 1225–26 (T.T.A.B. 2012) (citing *H. Marvin Ginn Corp. v. Int'l Ass'n of Fire Chiefs, Inc.*, 782 F.2d 987, 228 U.S.P.Q. 528 (Fed Cir. 1986)). A term is generic if it is the common name of a product or conveys the “genus of which the particular product is a species.” *United States Pat. & Trademark Off. v. Booking.com B. V.*, 140 S. Ct. 2298, 2310, 207 L. Ed. 2d 738 (2020) (finding the mark BOOKING.COM not generic for online hotel reservation and related services). As the Federal Circuit has explained, this inquiry requires a two-step process: “First, what is the genus of goods or services at issue? Second, is the term . . . understood by the relevant public primarily to refer to that genus of goods or services?” *H. Marvin Ginn Corp.*, 782 F.2d at 990.

The allegations in the counterclaim are insufficient to state a claim for genericness because Applicant fails to allege that the mark RE/MAX itself has, through widespread use in the real estate industry, “become so generally understood as representing descriptive [or generic] wording as to be accepted as substantially synonymous therewith.” *Modern Optics, Inc. v. Univis Lens Co.*, 234

F.2d 504, 110 USPQ 293 (CCPA 1956). Applicant claims that Opposer’s RE/MAX Marks are generic because RE/MAX is an abbreviation of the allegedly generic terms “real estate” and “maximums.” 4 TTABVUE 13. The distinctiveness of the term “real estate maximums” is irrelevant to this proceeding. The RE/MAX Marks are comprised of the coined term “RE/MAX” and do not contain the term “real estate maximums.” Indeed, RE/MAX and the REMAX Marks have been found to be famous. *See RE/MAX, LLC v. Shenzhen Remax Co., Ltd*, No. 115CV02496REBSKC, 2019 WL 1081039, at \*1 (D. Colo. Jan. 18, 2019), *report and recommendation adopted*, No. 15-CV-02496-REB-SKC, 2019 WL 1437620 (D. Colo. Feb. 27, 2019) (“As a result of th[e] duration and the geographic scope [of use of the RE/MAX and REMAX marks], the general public has come to associate the Marks with RE/MAX’s real estate and brokerage services.” Finding that Opposer’s RE/MAX and REMAX marks are famous and recommending judgment be entered in favor of RE/MAX, LLC on dilution claims).<sup>3</sup>

Even taking Applicant’s allegations that RE/MAX is an abbreviated term as true, Opposer’s RE/MAX Marks are not generic. “[F]or a compound term, the distinctiveness inquiry trains on the term's meaning *as a whole*, not its parts in isolation.” *Booking.com B. V.*, 140 S. Ct. at 2304 (emphasis added). “If the meaning of the whole is no greater than the sum of its parts, then the compound is itself generic.” *Id.* at 2310. As such, whether an abbreviation or acronym of a generic term is itself a generic term is a separate issue from the question of whether the wording it represents is generic. *See Collaborative Continuing Educ. Council Inc.*, 2021 WL 2769893 at \*4. The mere fact that consumers will recognize an abbreviation as standing for the wording it represents is insufficient to assert that the abbreviation is generic. *Id.* The counterclaim is devoid of any allegation that the term RE/MAX “has become the common generic name for real estate

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<sup>3</sup> *RE/MAX, LLC v. Shenzhen Remax Co., Ltd*, No. 115CV02496REBSKC, 2019 WL 1081039 (D. Colo. Jan. 18, 2019) is attached hereto as Exhibit A.

services through use in commerce by real estate service providers or consumers.” *Id.* Here, Applicant merely recites the elements of the claim and repeats the conclusive assertion that the term RE/MAX is a generic abbreviation for “real estate maximums” because relevant purchasers will recognize it as synonymous with the wording it represents. Such baseless allegations are insufficient to state a claim for genericness. *See id.* (granting Applicant’s motion to dismiss genericness claim).

B. Applicant Has Failed to Cite to a Dictionary Definition of RE/MAX.

Dictionary definitions can be relevant and persuasive in determining how a term is understood by the consuming public. *Surgicenters of Am., Inc. v. Med. Dental Surgeries Co.*, 601 F.2d 1011, 1015 n.11, 202 U.S.P.Q. 401 (9th Cir. 1979). The proper inquiry is whether there is a definition of the full mark at issue. Dissecting a trademark to define its component parts does not demonstrate the public’s understanding of the unitary mark. *See Estate of P.D. Beckwith, Inc. v. Comm’r of Patents*, 252 U.S. 538, 545–46 (1920) (“The commercial impression of a trade-mark that refers to the genus of which the particular product is a species.”).

Despite this well-settled law, Applicant did not allege a single dictionary definition of the mark RE/MAX. Instead, Applicant dissected the RE/MAX Marks and relies exclusively on the definitions of the terms “real estate” and “maximums” separately to support its claim that the RE/MAX Marks are “generic...because the relevant public underst[ands] the designation as primarily referring to the services offered by Opposer and others in the field of real estate.” 4 TTABVUE 13. The definitions of the component parts of a unitary mark, however, do not serve to demonstrate the public’s understanding of the unitary mark. *See Brinktun, Inc. v. Klauber Games, Inc.*, 143 U.S.P.Q. 46, 47 (T.T.A.B. 1964) (denying petition to cancel registration of RACK’N ROLL for table tennis tables on ground that “even assuming for present purposes that

the words ‘rack’ and ‘roll’ each separately identify a characteristic of respondent’s table tennis tables, it does not necessarily follow that respondent’s mark ‘RACK’N ROLL’ is not a valid trademark for such goods, that is to say that it does not serve to identify respondent’s goods and distinguish them from similar goods of others”). Moreover, the acronym definition of RE/MAX cited by Applicant refers to the definition of the acronym RE/MAX outside of the United States, in Canada, and is therefore irrelevant to this proceeding. *See* 4 TTABVUE 39-44, Exs. E-F.

C. The Industry and Media Recognize RE/MAX as a Trademark.

In applying the primary significance test, the Board and courts often accept industry and media usage of a mark as strong evidence of how the public perceives the term. *See, e.g., Magic Wand, Inc. v. RDB, Inc.*, 940 F.2d 638, 640, 19 U.S.P.Q.2d 1551, 1553 (Fed. Cir. 1991); *CG Roxane LLC*, 569 F. Supp. 2d 1019, 1028–29 (N.D.C.A. 2008). Accordingly, industry and media use of a term as a mark is strong evidence that the term is understood as a trademark. Applicant failed to produce any evidence showing that the industry or media refers to RE/MAX as anything other than a trademark. Applicant has not produced a single instance in which the industry or the media substituted the mark RE/MAX for the phrases “real estate maximums”, “real estate brokerage”, or “real estate services.” To the contrary, Applicant provided evidence demonstrating that industry participants list the RE/MAX Marks among other trademarks that identify real estate services. *See, e.g.,* 4 TTABVUE 50, Ex. G (including an example of RE/MAX being listed as “the country's second largest [real estate] franchise”). Applicant’s evidence further supports Opposer’s proper trademark use of the RE/MAX Marks. *See, e.g., Id.* at 24-38, Exs. A-D.

References to the RE/MAX Marks in unsolicited mainstream media further demonstrate that the public perceives the RE/MAX Marks as a designation of source and not a synonym for real estate services. All the Internet evidence cited by Applicant includes references to the

RE/MAX Marks in initial capitals, a convention that is direct evidence of the trademark status of the word. *See In re Country Music Ass'n*, 100 U.S.P.Q.2d 1824, 1831 (T.T.A.B. 2011) (“in the English language, initial capitalization of a term or phrase is generally used to designate a brand name, as opposed to a generic term.”). Applicant’s evidence therefore shows recognition that the source of the RE/MAX Marks is Opposer or a single source. This evidence does not place the RE/MAX Marks in the category of a common or descriptive term. *See In re Trek 2000 Int’l Ltd.*, 97 U.S.P.Q.2d 1106, 1112–13 (T.T.A.B. 2010) (reversing generic-based refusal based on media references reflecting trademark status of applied-for mark); *In re Am. Online Inc.*, 77 U.S.P.Q.2d 1618, 1623 (T.T.A.B. 2006) (“[I]n this case, the evidence of generic use is offset by ... evidence that shows not only a significant amount of proper trademark use, but also trademark recognition by customers, publishers, and third parties.”).

This evidence cited by Applicant thus fails to establish that the primary significance of RE/MAX to the relevant public is real estate services, rather than real estate brokerage services provided by a particular entity or its licensees. *See In re Merrill Lynch, Pierce, Fenner, and Smith Inc.*, 4 USPQ2d 1141, 1144 (Fed. Cir. 1987). *See also In re America Online*, 77 USPQ2d 1618, 1623 (TTAB 2006) (“the evidence of generic use is offset by applicant's evidence that shows not only a significant amount of proper trademark use but also trademark recognition” by third parties). The evidence of record shows that for a period of over 45 years, the primary significance of the designation “RE/MAX” has been to identify the source of origin of real estate services emanating from Opposer and the RE/MAX Network. *See Stocker*, 39 U.S.P.Q.2d 1385.

The burden of proof to show genericness, resting squarely on Applicant, has not been met. Applicant has failed to allege facts that Opposer’s RE/MAX Marks have become the equivalent of Opposer’s real estate services and is therefore a generic term. Rather, the evidence of record

supports the fact that RE/MAX is one of the most famous real estate brands in the United States and that the primary significance to the relevant public of RE/MAX is that of a trademark/service mark when used in connection with real estate services. Accordingly, Applicant's second counterclaim should be dismissed for failure to state a claim.

### **CONCLUSION**

For the foregoing reasons, Opposer respectfully asks the Board to grant its Motion under Rule 12(b)(6) and T.B.M.P. § 503 et seq. and dismiss all of Applicant's counterclaims with prejudice.

Respectfully submitted,

Dated: September 3, 2021

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RE/MAX LLC

**CERTIFICATE OF SERVICE**

This is to certify that on this 3rd day of September 2021, a copy of the foregoing **OPPOSER'S MOTION TO DISMISS APPLICANT'S COUNTERCLAIMS** was served on the following attorney of record via electronic mail:

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# EXHIBIT A

2019 WL 1081039

Only the Westlaw citation is currently available.  
United States District Court, D. Colorado.

RE/MAX, LLC, a Delaware Limited  
Liability Company, Plaintiff,

v.

SHENZHEN REMAX CO., LTD, a  
Chinese Company, Shenzhen City Rui He  
Tech. Co. Ltd, a Chinese Company,  
Shenzhen Remax Tech. Co., Ltd, a  
Chinese Company, Defendants.

Civil Action No. 1:15-cv-02496-REB-SKC

|  
Signed 01/18/2019

#### Attorneys and Law Firms

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Sheridan Ross, P.C., Denver, CO, for Plaintiff.

#### RECOMMENDATION OF UNITED STATES MAGISTRATE JUDGE

[S. Kato Crews](#), United States Magistrate Judge

\*1 This Recommendation addresses Plaintiff RE/MAX, LLC's ("RE/MAX") Motion for Default Judgment, dated May 11, 2018 ("Motion"). [ECF. #40.] Defendant seeks an entry of default judgment against Shenzhen Remax Co., Ltd. ("Shenzhen Remax"), a limited liability company incorporated under the laws of the People's Republic of China. Shenzhen Remax has not filed a response to the Motion. The Motion was referred to the Magistrate Judge by Memorandum. [ECF. #41 and #42.] The Court has reviewed the Motion, the exhibits and affidavits, the entire case file, and for the following reasons RECOMMENDS that the Motion be GRANTED.

#### STATEMENT OF THE CASE

According to the allegations in the Complaint, RE/MAX is a well-known real estate brokerage franchise system that operates nationally. Since 1973, franchises, affiliated independent contractors, and sales associates within the RE/MAX network have been providing real estate services under the marks "RE/MAX" and "REMAX" (collectively "Marks"). RE/MAX has the exclusive rights to these incontestable Marks. The Marks are used in a variety of advertising media and are also used on a variety of branded products such as clothing, hats, electronic accessories, bags, and keychains. As a result of the duration, extent, and geographic reach of the sales, advertising, and promotion, the Marks have become widely recognized as identifying real estate services associated with Plaintiff.

In early 2015, RE/MAX learned that Shenzhen Remax, without Plaintiff's permission, has been using the REMAX mark on cellular phone accessories, speakers, headphones, watch covers, and other various products offered for sale on numerous Internet sites. These websites, such as Amazon.com, Ebay.com, and Facebook.com, are all accessible from the United States. Shenzhen Remax's infringing mark is virtually identical, both visually and phonetically, to Plaintiff's Marks.

RE/MAX filed its Complaint<sup>1</sup> on November 12, 2015, alleging a claim of trademark dilution and seeking damages and permanent injunctive relief. [ECF. #1.] In accordance with the Hague Convention, on November 25, 2015, Plaintiff attempted service on all named Defendants by sending hard copies via Federal Express, and electronic copies through email, both accompanied with Chinese translations, to the International Legal Center, Ministry of Justice for the People's Republic of China. [ECF. #33 at p.2.] On January 18, 2016, the Ministry of Justice acknowledged receipt of the documents and forwarded them to the Supreme Court of China for service on all Defendants. [*Id.*] Thereafter, RE/MAX requested numerous updates from the Supreme Court of China and regularly communicated with the Ministry of Justice regarding service on Defendants. [*Id.* at p.3.] On September 14, 2016, the Ministry advised RE/MAX to pursue an entry of default under Article 15, ¶ 2 of the Hague Convention. [*Id.*]

\*2 Despite the apparent failure of the Chinese Supreme Court to serve the documents on Defendants, Plaintiff's counsel also gave direct notice to the Defendants via registered mail. [ECF. #31. at p.3.] On September 28,

2016, Liang Gong acknowledged receipt of RE/MAX's letter and U.S. Litigation Documents on behalf of all Defendants and initiated communications with RE/MAX's counsel. [*Id.*] However, the parties were never able to come to an amicable resolution of the matter. [*Id.*] Consequently, on December 7, 2016, RE/MAX filed a motion requesting an exception to the proof of service requirements and also for entry of default pursuant to [Rule 55 of the Federal Rules of Civil Procedure](#) and Article 15 of the Hague Convention. [*Id.*] District Court Judge Robert E. Blackburn granted the motion on September 8, 2017,<sup>2</sup> and the Clerk of Court entered default. [ECF. #33 and #34.] RE/MAX now moves for default judgment solely against Shenzhen Remax seeking injunctive relief and an award of attorney's fees. [ECF. #40.]

## STANDARD OF REVIEW

Pursuant to [Federal Rule of Civil Procedure 55\(b\)](#), default judgment may enter against a party who fails to appear or otherwise defend a case. However, a party is not entitled to the entry of default judgment as a matter of right. [Greenwich Ins. Co. v. Daniel Law Firm](#), No. 07-cv-02445-LTB-MJW, 2008 WL 793606, at \* 2 (D. Colo. Mar. 22, 2008) (quoting [Cablevision of S. Conn. Ltd. P'ship v. Smith](#), 141 F.Supp.2d 277, 281 (D. Conn. 2001) ). Even after the entry of default, "it remains for the court to consider whether the unchallenged facts constitute a legitimate basis for the entry of a judgment." [McCabe v. Campos](#), No. 05-cv-00846-RPM-BNB, 2008 WL 576245, at \*2 (D. Colo. Feb. 28, 2008) (citing [Black v. Lane](#), 22 F.3d 1395, 1407 (7th Cir. 1994) ). "In determining whether a claim for relief has been established, the well-pleaded facts of the complaint are deemed true." *Id.* The decision whether to enter judgment by default is committed to the sound discretion of the district court. [Olcott v. Del. Flood Co.](#), 327 F.3d 1115, 1124 (10th Cir. 2003).

## DISCUSSION

### A. Subject Matter Jurisdiction, Personal Jurisdiction & Venue

In determining whether the entry of default judgment is warranted, the Court must first determine whether it has jurisdiction over the subject matter and the defendants.

[Dennis Garberg & Assocs. v. Pack-Tech Int'l Corp.](#), 115 F.3d 767, 772 (10th Cir. 1997); [Williams v. Life Sav. & Loan](#), 802 F.2d 1200, 1202-03 (10th Cir. 1986). It is well-settled law that "[a] judgment is void when a court enters it lacking subject matter jurisdiction or jurisdiction over the parties." *Id.* at 1202.

#### 1. Subject Matter Jurisdiction & Venue

Here, the allegations in the Complaint—taken to be true for purposes of default judgment—establish the Court's jurisdiction over this lawsuit. This case arises under the federal trademark statute, the Lanham Act, [15 U.S.C. §§ 1051 et seq.](#) Therefore, the Court has subject matter jurisdiction under [28 U.S.C. § 1331](#) and [28 U.S.C. §§ 1338\(a\)](#) and (b).

In addition, in light of the following analysis regarding personal jurisdiction pursuant to [Fed. R. Civ. P. 4\(k\)\(2\)](#), the Court also finds that venue is proper in the State and District of Colorado under [28 U.S.C. § 1391\(b\)\(3\)](#) ("if there is no district in which an action may otherwise be brought as provided in this section, any judicial district in which any defendant is subject to personal jurisdiction with respect to such action").

#### 2. Personal Jurisdiction

The Tenth Circuit has established a two-part test for personal jurisdiction: "First, we ask whether any applicable statute authorizes service of process on defendants. Second, we examine whether the exercise of statutory jurisdiction comports with constitutional due process demands." [Dudnikov v. Chalk & Vermilion Fine Arts, Inc.](#), 514 F.3d 1063, 1070 (10th Cir.2008). Because the Lanham Act does not provide for nationwide (or international) service of process, the Court must look to the Colorado long-arm statute. *Id.*

\*3 The Colorado long-arm statute codifies the "minimum contacts" test of [International Shoe Co. v. Washington](#), 326 U.S. 310 (1945). It confers the maximum jurisdiction permissible consistent with the Due Process clause of the 14th Amendment. [Archangel Diamond Corp. v. Lukoil](#), 123 P.3d 1187, 1193 (Colo. 2005).

"The Due Process Clause protects an individual's liberty interest in not being subject to the binding judgments of a forum with which he has established no meaningful

contacts, ties, or relations.” *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 471-72 (1985) (internal quotation marks and citation omitted). Therefore, a “court may exercise personal jurisdiction over a nonresident defendant only so long as there exist minimum contacts between the defendant and the forum state.” *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 291 (1980) (internal quotation marks and citation omitted). The “minimum contacts” test asks whether the defendant has purposefully directed its activities at residents of the forum state, whether the claims asserted arise out of that purposeful direction of activity, and whether the assertion of jurisdiction under the circumstances is reasonable and fair. *Burger King Corp.*, 471 U.S. at 474.

RE/MAX premises its assertion of personal jurisdiction on Shenzhen Remax’s operation of the website www.iremax.hk, as well as its use of www.amazon.com (and other websites) to sell its products. In such instances, courts often distinguish among three types of websites—passive, moderately interactive, and interactive. See *Soma Med. Intern. v. Standard Chartered Bank*, 196 F.3d 1292, 1296 (10th Cir. 1999). Assuming *arguendo* that these websites constitute sufficient contact to permit the exercise of personal jurisdiction, the Court nevertheless cannot conclude that the contact was “purposeful” and significant, as opposed to “random, fortuitous, or attenuated.” *Burger King*, 471 U.S. at 475–76.

The only evidence of Shenzhen Remax’s contact with the state is that a representative of Plaintiff ordered and received three products bearing the infringing mark at her residence in Colorado. This evidence is problematic for two primary reasons. First, Plaintiff did not indicate what website these products were ordered from. Because it is Plaintiff’s burden, the Court will not assume the products were ordered directly from Shenzhen Remax or its storefront on Amazon.com, as opposed to receiving them from other sellers.

Second, the Court observes that in similar situations, “courts have disregarded transactions orchestrated by the plaintiff or counsel for the purpose of creating a contact in a state where no regular sales have [occurred].” *Boppy Co. v. Luvee Prods. Corp.*, 72 U.S.P.Q.2d 1577, 2004 WL 2608265, at \*5 (D. Colo. 2004) (citing *Toys R Us, Inc. v. Step Two, S.A.*, 318 F.3d 446, 454 (3d Cir. 2003); *Edberg v. Neogen Corp.*, 17 F.Supp.2d 104, 112 (D. Conn. 1998); *Millennium Enters., Inc. v. Millennium Music, LP*, 33 F.Supp.2d 907, 911 (D. Or. 1999) ). In evaluating personal jurisdiction, the Court must look to the defendant’s volitional conduct, not the conduct of others drawing it into the forum. Beyond websites, RE/MAX has

not offered evidence regarding contacts with Colorado that Defendant created or directed to Colorado itself. RE/MAX has also failed to establish the degree of use of any of these websites by Colorado residents. “A website, even if interactive, is insufficient to create personal jurisdiction where that website has gone unused by residents of the forum state.” *Id.* (citing *Coastal Video Commc’ns Corp. v. Staywell Corp.*, 59 F.Supp.2d 562, 566 (E.D. Va. 1999); *Origin Instruments Corp. v. Adaptive Comput. Sys., Inc.*, No. Civ. A. 397CV2595-L, 1999 WL 76794, at \* 4 (N.D. Tx. 1999) ). Accordingly, the Court finds RE/MAX has failed to show that Shenzhen Remax has sufficient minimum contacts with Colorado so as to subject it to personal jurisdiction under the Colorado long-arm statute.

\*4 But this does not end the inquiry. RE/MAX also contends that this Court may exercise jurisdiction pursuant to Fed. R. Civ. P. 4(k)(2). This rule provides, in pertinent part: “For a claim that arises under federal law, serving a summons ... establishes personal jurisdiction over a defendant if: (A) the defendant is not subject to jurisdiction in any state’s courts of general jurisdiction; and (B) exercising jurisdiction is consistent with the United States Constitution and laws.” Fed. R. Civ. P. 4(k)(2).

“Rule 4(k)(2) was adopted to provide a forum for federal claims in situations where a foreign defendant lacks substantial contacts with any single state but has sufficient contacts with the United States as a whole to satisfy due process standards and justify the application of federal law.” *Merial Ltd. v. Cipla Ltd.*, 681 F.3d 1283, 1293-94 (Fed. Cir. 2012) (citing *Synthes (U.S.A.) v. G.M. Dos Reis Jr. Ind. Com de Equip. Medico*, 563 F.3d 1285, 1295-96 (Fed. Cir. 2009) ). The proper exercise of Rule 4(k)(2) jurisdiction requires that: “(1) the plaintiff’s claim arises under federal law; (2) the defendant is not subject to personal jurisdiction in the courts of any state; and (3) the exercise of jurisdiction otherwise satisfies due process requirements.” *Id.* at 1294.

The first element (arises under federal law) is easily met. RE/MAX asserts a single claim of trademark dilution under the Lanham Act, 15 U.S.C. § 1125(c). Thus, the claim arises under federal law.

With respect to the second element, the D.C. Circuit in *Mwani v. bin Laden*, 417 F.3d 1 (2005), observed that “[d]etermining whether a defendant is subject to the jurisdiction of a court ‘of any state,’ presents no small problem.” *Id.* at 11. But rather than require courts to “ponderously ‘traipse through the 50 states, asking whether each could entertain the suit,’ ” the court adopted

a rule that, whenever a plaintiff invokes Rule 4(k)(2) as a basis for personal jurisdiction in federal court, the burden is on the defendant to identify some state court where it could be sued. *Id.* (citing *ISI Int'l, Inc. v. Borden Ladner Gervais LLP*, 256 F.3d 548, 552 (7th Cir. 2001)). If the defendant fails to do so, this requirement is presumed to be met. *Id.*; see also *Rubin v. Hamas-Islamic Resistance Movement*, No. Civ.A. 02-0975 (RMU), 2004 WL 2216489, at \*3 (D.D.C. Sept. 27, 2004) (“[T]o invoke Rule 4(k)(2), the plaintiffs need only certify that to their knowledge, the defendant is not subject to jurisdiction in any one state.”).

In its Motion, RE/MAX asserts that Defendant’s contacts are the same in all other states as they are with Colorado. [ECF. #40 at p.17.] This Court has deemed those contacts to be insufficient for specific personal jurisdiction in Colorado. Further, as already noted, Shenzhen Remax has not appeared in this suit, and therefore, it has not named some other state in which this suit could proceed. Consequently, the Court will presume that Shenzhen Remax is “not subject to the jurisdiction of the courts of general jurisdiction of any state.” See *Fed. R. Civ. P. 4(k)(2)*.

Finally, with respect to the third element, the Court makes the same inquiry into the quality and quantity of Defendant’s contacts with the forum as discussed above. The forum in this analysis is the United States as a whole rather than Colorado. *Synthes (U.S.A.)*, 563 F.3d at 1295; see also *Pandaw America, Inc. v. Pandaw Cruises India Pvt, Ltd.*, 842 F.Supp.2d 1303, 1311 (D. Colo. 2012). The Court must consider whether (1) Shenzhen Remax has purposefully directed its activities at residents of the United States; (2) RE/MAX’s claim arises out of or relates to Defendant’s activities with the forum; and (3) the assertion of personal jurisdiction over Shenzhen Remax would be fair and reasonable. *Pandaw America, Inc.*, 842 F.Supp.2d at 1311.

\*5 Shenzhen Remax operates a storefront on Amazon.com where it offers more than 100 products displaying the infringing mark. [ECF. #40-1 at ¶¶14-15.] “The intended market for business conducted through a website can be determined by considering the apparent focus of the website as a whole.” *Graduate Mgmt. Admission Council v. Raju*, 241 F.Supp.2d 589, 598 (E.D. Va. 2003). Thus, this Court must determine whether the website is “designed to attract or serve a [United States] audience.” *Young v. New Haven Advocate*, 315 F.3d 256, 263 (4th Cir. 2002).

Amazon.com has a “vast, established infrastructure to sell and ship [ ] products to consumers nationwide.”

*Telebrands Corp. v. Mopnado*, No. 2:14-07969 (JLL) (JAD), 2016 WL 368166, at \*7 (D.N.J. Jan. 12, 2016); see also *Orbit Irrigation Prods. Inc. v. Melnor Inc.*, No. 1:16-cv-137, 2017 WL 1274043, at \*4 (D. Utah Apr. 4, 2017) (“Amazon seek[s] to serve a nationwide market”). Further, it is arguably the largest online marketplace in the United States. See *Telebrands Corp.*, 2016 WL 368166, at \*7. Thus, the Court finds that Shenzhen Remax has purposefully directed its activities toward residents of this country. See *Telebrands Corp.*, 2016 WL 368166, at \*7 (the defendant’s use of Amazon’s national presence was sufficient to constitute purposeful availment); *Orbit Irrigation Prods. Inc.*, 2017 WL 1274043, at \*4 (same).

The Court also finds that Plaintiff’s claims relate to the activities that Shenzhen Remax directs towards the United States. RE/MAX’s Complaint alleges that Defendant’s use of the infringing mark on products sold via Amazon.com (and other websites) dilute the distinctive quality of Plaintiff’s Marks. According to the Complaint, Shenzhen Remax’s conduct creates an association between Plaintiff’s famous Marks and Defendant’s infringing marks and is likely to cause consumer confusion. This conduct further impairs the Marks’ distinctive quality and lessens the capacity of the Marks’ ability to identify RE/MAX’s services. [ECF. #1 at ¶¶29-34.] Consequently, the Court finds that RE/MAX’s claim in this case relates to Shenzhen Remax’s use of the infringing mark on its products, which are targeted to United States residents.

Finally, the Court must determine whether the assertion of jurisdiction over Shenzhen Remax would be fair and reasonable. In doing so, the Court considers the following factors:

- (1) the burden on the defendant;
- (2) the forum state’s interest in resolving the dispute;
- (3) the plaintiff’s interest in receiving convenient and effective relief;
- (4) the interstate judicial system’s interest in obtaining the most efficient resolution of controversies; and
- (5) the shared interests of the several states in furthering fundamental substantive social policies.

*Pandaw America, Inc.*, 842 F.Supp.2d at 1312-13 (citing *World-Wide Volkswagen Corp.*, 444 U.S. at 292).

As previously discussed, the forum in this case is the United States. Because Plaintiff’s claim involves United States intellectual property law, the forum has a clear interest in resolving the dispute. In addition, RE/MAX is a United States company, with its principle place of business in Colorado. [ECF. #1 at ¶2.] Thus, litigating these issues in the United States would be more convenient for Plaintiff.

Even if this Court were to assume that defending this action in the United States would cause some burden on Defendant, it would not necessitate a finding in favor of Shenzhen Remax. Defendant purposefully marketed products bearing the infringing marks toward United States consumers and even sought to register its infringing marks with the United States Patent and Trademark Office (“USPTO”) on three separate occasions. [ECF. #40-1 at ¶¶17-21.] Shenzhen Remax should have reasonably anticipated that it would be subject to litigation in this country. On balance, the United States’ interest in enforcing its intellectual property laws, as well as Defendant’s willful behavior, outweigh any burden on Defendant. Accordingly, the Court finds that it would be fair and reasonable, and would comport with due process, to exercise personal jurisdiction over Shenzhen Remax.

### B. Liability

\*6 RE/MAX seeks default judgment against Shenzhen Remax on its claim of trademark dilution pursuant to 15 U.S.C. § 1125(c). By failing to answer the Complaint, Shenzhen Remax has relieved RE/MAX of the burden of proving its factual allegations supporting these claims. *United States v. Craighead*, 176 F. App’x 922, 924 (10th Cir. 2006). Nevertheless, “the Court must determine whether the allegations contained in Plaintiff’s Complaint are sufficient to state a claim for relief.” *Jones v. Wells Fargo Bank, N.A.*, No 13-cv-02210-MSK-KLM, 2014 WL 3906297, at \*8 (D. Colo. Aug. 7, 2014) (internal quotation marks and citations omitted). “To state a claim for relief, the Complaint must contain sufficient factual matter, accepted as true, to show that the claim is plausible on its face.” *Id.* (citations omitted). “A claim is facially plausible when the plaintiff pleads facts that allow the court to reasonably infer that the defendant is liable for the alleged conduct.” *Id.*

In order to prove a dilution claim, a plaintiff must show that (1) the mark is famous and distinctive; (2) the defendant is making use of the mark in commerce; (3) the defendant’s use began after the mark became famous; and (4) the defendant’s use of the mark is likely to cause dilution by blurring or dilution by tarnishment. 15 U.S.C. § 1125(c).

#### 1. The Mark Must be Famous and Distinctive

Under the statute, a mark is famous “if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.” *Id.* at § 1125(c)(2)(A). The statute also provides a non-exclusive list of factors that courts may consider in this determination: (1) the duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties; (2) the amount, volume, and geographic extent of sales of goods or services offered under the mark; (3) the extent of actual recognition of the mark; and (4) whether the mark is federally registered. *Id.* at § 1125(c)(2)(A)(i)-(iv).

Applying these factors, the Court finds that the Marks are famous. According to the allegations in the Complaint, RE/MAX has been providing real estate services under the Marks since 1973. [ECF. #1 at ¶11.] The Marks have been used on a variety of advertising media and have been used throughout the United States and worldwide in connection with millions of real estate transactions. [*Id.* at ¶¶13-17.] As a result of this duration and the geographic scope, the general public has come to associate the Marks with RE/MAX’s real estate and brokerage services. [*Id.* at ¶18; *see also* ECF. #40-2 at ¶15.]

In addition, the Court concludes that the Marks are distinctive. A “certificate of registration of a mark upon the principal register” is prima facie evidence of the mark’s validity. 15 U.S.C. § 1057(b); *Creative Gifts, Inc. v. UFO*, 235 F.3d 540, 545 (10th Cir. 2000). The presumption of validity extends to the distinctiveness of the registered mark. *Sally Beauty Comp. v. Beautyco, Inc.*, 304 F.3d 964, 976 (10th Cir. 2002); *Publications Int’l, Ltd. v. Landoll*, 164 F.3d 337, 340 (7th Cir. 1998). RE/MAX’s Marks are registered with the USPTO. [ECF. #1 at ¶11.] Although this presumption is rebuttable, Shenzhen Remax has not entered an appearance to make arguments in this regard. Consequently, the first element is satisfied.

#### 2. Defendant’s Use Began After the Mark Became Famous

Plaintiff began using the Marks in 1973 and according to Plaintiff’s Motion, Plaintiff has had a fully-integrated national advertising campaign since 1999. [See ECF. #1 at ¶11 and ECF. #40-2 at ¶12.] Shenzhen Remax filed its first application for trademark application for its infringing mark in October 2014.<sup>3</sup> [ECF. #40-1 at ¶18.] Thus, the Court finds that Shenzhen Remax’s use began after the Marks became famous.

### 3. Defendant's Mark Must be Used in Commerce

\*7 Shenzhen Remax offers a number of goods displaying the infringing mark for sale on Amazon.com, Ebay.com, Facebook.com, and Alibaba.com. [ECF. #40-1 at ¶¶13, 15.] These items range in price from \$10.00 to \$50.00. [*Id.* at p.6] This type of commercial sale of a product easily satisfies this element.

### 4. Defendant's Mark Must be Likely to Dilute the Famous Mark

"[D]ilution by blurring is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark." 15 U.S.C. § 1125(c)(2)(B). The statute provides a list of non-exclusive factors for courts to consider when making this determination:

- (i) The degree of similarity between the mark or trade name and the famous mark.
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.
- (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
- (iv) The degree of recognition of the famous mark.
- (v) Whether the user of the mark or trade name intended to create an association with the famous mark.
- (vi) Any actual association between the mark or trade name and the famous mark.

*Id.* A mark may be likely to cause dilution regardless of "the presence or absence of actual or likely confusion, of competition, or of actual economic injury." 15 U.S.C. § 1125(c)(1).

In this case, Shenzhen Remax's infringing mark is identical, or nearly identical, to Plaintiff's Marks both visually and phonetically. In addition, as discussed above, the RE/MAX Marks have acquired a presumption of validity through the certificate of registration, and Shenzhen Remax has not appeared to rebut this presumption. The Court also finds that RE/MAX's Motion and evidence establish that it has made substantially exclusive use of the Marks for nearly 40

years. RE/MAX has used the Marks in its business operations and advertising since the 1970s and has expended billions of dollars to maintain them. [ECF. #40-2 at ¶10.] The Court also notes that RE/MAX actively polices its Marks in this Court. A review of this Court's records shows that RE/MAX has used court proceedings on numerous occasions to protect its Marks. *See, e.g., RE/MAX, LLC v. Results Realty of S.W. Fla. Inc., et al.*, No. 13-cv-02409-RM-CBS; *RE/MAX, LLC v. RE/MAX Fidelity, Inc., et al.*, No. 16-cv-02226-MSK-MJW; *RE/MAX, LLC v. Quality Living, LLC, et al.*, No. 14-cv-02094-MSK-CBS. Active policing of unauthorized use of marks further supports the Court's conclusion that Plaintiff is engaging in substantially exclusive use of the Marks. *See Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 559 F.Supp.2d 472, 477 (S.D.N.Y. 2008); *V. Secret Catalogue, Inc. v. Moseley*, 558 F.Supp.2d 734, 746 (W.D. Ky. 2008).

RE/MAX has also presented evidence that its Marks are widely recognizable. According to its Motion, RE/MAX surpassed all U.S. real estate franchises in television advertising every year from 2002 to 2014. [ECF. #40-2 at ¶13.] In addition, a 2017 nationwide survey showed that RE/MAX had the highest level of unaided awareness among real estate branding in the U.S. [*Id.* at ¶15.] Further, www.remax.com was the most visited real estate website in 2017 with over 90 million views. The Court easily concludes that the degree of recognition of the famous mark weighs in favor of RE/MAX.

\*8 RE/MAX has not offered any evidence supporting the last two factors, and its arguments in that regard are conclusory. [ECF. #40 at p.21.] Nevertheless, the Court finds substantial support for the conclusion that dilution by blurring is likely. Consequently, based on the foregoing analysis, the Court RECOMMENDS that default judgment be entered in favor of RE/MAX on its claim of trademark dilution under 15 U.S.C. § 1125(c).

### **C. Injunctive Relief**

In its Motion, Plaintiff seeks a permanent injunction against Shenzhen Remax. [ECF. #40 at pp. 21-22.] Under the Lanham Act, the Court has the authority to grant injunctive and other equitable relief to prevent further violations of a plaintiff's trademark rights. 15 U.S.C. § 1116. "To obtain a permanent injunction, a plaintiff must show: '(1) actual success on the merits; (2) irreparable harm unless the injunction is issued; (3) the threatened injury outweighs the harm that the injunction may cause the opposing party; and (4) the injunction, if issued, will

not adversely affect the public interest.’ ” *Kitchen v. Herbert*, 755 F.3d 1193, 1208 (10th Cir. 2014) (quoting *Sw. Stainless, LP v. Sappington*, 582 F.3d 1176, 1191 (10th Cir. 2009) ). It is the movant’s burden to demonstrate that each of these elements tips in her favor. *Heideman v. S. Salt Lake City*, 348 F.3d 1182, 1188-89 (10th Cir. 2003).<sup>4</sup>

First, under the standards applicable to default judgment, the Court finds that RE/MAX has succeeded on the merits of its trademark infringement claims. See *Olcott*, 327 F.3d at 1125 (once default is entered, a defendant is deemed to have admitted the plaintiff’s well-pleaded allegations of fact); see also *Jackson v. FIE Corp.*, 302 F.3d 515, 525 (5th Cir. 2002) (“[a] default judgment is unassailable on the merits”).

Second, the Court concludes that irreparable harm will occur if Shenzhen Remax is not permanently enjoined from using RE/MAX’s Marks. Indeed, “trademark infringement by its very nature results in irreparable harm to the owner of the mark.” *Amoco Oil Co. v. Rainbow Snow, Inc.*, 809 F.2d 656, 663 (10th Cir. 1987). See also *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.3d 157, 169 (3d Cir. 2000) (“[A] lack of control over the use of one’s own mark amounts to irreparable harm.”).

Third, the threatened injury to RE/MAX far outweighs the harm that the injunction would cause Defendant. Defendant has no legal rights to use RE/MAX’s Marks in its business or to otherwise identify themselves as being associated with RE/MAX. [See ECF. 40-1 at ¶¶18-21 (Defendant’s USPTO application denials, cancellations, and abandonment).]

Finally, the issuance of an injunction will not adversely affect the public interest. Rather, any continued unauthorized use of RE/MAX’s Marks by Defendant will cause consumer confusion. An injunction will serve to protect the goodwill RE/MAX has cultivated and prevent Defendant from “whittling away” the distinctiveness of its Marks. See *General Motors Co. v. Urban Gorilla LLC*, No. 2:06-cv-00133 BSJ, 2010 WL 5395065, at \*8 (D. Utah Dec. 27, 2010) (protecting a company’s goodwill is a public policy concern). Therefore, the Court recommends that a permanent injunction be issued.

#### D. Attorney Fees and Costs

\*9 Plaintiff seeks an award of its reasonable attorney fees and costs Pursuant to 15 U.S.C. § 1117(a). Section

1117(a) provides in pertinent part that “[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party.” Although the statute does not define “exceptional,” the Tenth Circuit has determined that “it occurs when a trademark infringement is malicious, fraudulent, deliberate, or willful.” *United Phosphorus, Ltd. v. Midland Fumigant, Inc.*, 205 F.3d 1219, 1232 (10th Cir. 2000). “Acting ‘willfully’ means acting with knowledge that one’s actions constitute ... infringement.” *Merchant Media, LLC v. H.S.M. Int’l*, No. 05 Civ. 2817 (JES), 2006 WL 3479022, at \*4 (S.D.N.Y. Nov. 30, 2006) (citing *Fitzgerald Pub. Co. v. Baylor Pub. Co.*, 807 F.2d 1110, 1115 (2d Cir. 1986) ).

In this case, Shenzhen Remax continued to use the infringing mark despite being advised of the infringing nature of its conduct—via the petition to cancel Defendant’s trademark registration and actual notice from Plaintiff’s counsel. Furthermore, although Shenzhen Remax’s applications for trademarks were cancelled and/or abandoned, it continues to use the Mark in commerce and has even—in connection with some of its products—represented that it owns a U.S. Trademark Registration. [ECF. #40-1 at ¶22.] Finally, in spite of receiving actual notice of this litigation, Shenzhen Remax has failed to appear and defend this action. Indeed, with full knowledge of this action, Defendant continued to utilize the Plaintiff’s “REMAX” mark. Based upon this, the Court concludes that Shenzhen Remax’s conduct was willful, thus entitling RE/MAX to an award of reasonable attorney’s fees pursuant to 15 U.S.C. § 1117(a).

However, Plaintiff, has not complied with Rule 54(d)(2) of the Federal Rules of Civil Procedure or D.C.COLO.LCivR 54.3. THEREFORE, the Court RECOMMENDS that Plaintiff’s request for attorney’s fees be DENIED WITHOUT PREJUDICE with leave to refile a motion that complies with D.C.COLO.LCivR 54.3.

#### CONCLUSION

For the foregoing reasons the Court RECOMMENDS that RE/MAX, LLC’s Motion for Default Judgment be GRANTED. [ECF. #40.]

IT IS FURTHER RECOMMENDED that Default Judgment be entered on the Complaint in favor of RE/MAX and against Defendant Shenzhen Remax Co., Ltd. on Plaintiff’s claim of trademark dilution in violation of 15 U.S.C. § 1125(c).

IT IS FURTHER RECOMMENDED a permanent injunction enter enjoining Defendant as follows:

Defendant Shenzhen Remax and any principals, agents, servants, employees, successors, and assigns of Defendant Shenzhen Remax and all those in privity, concert, or participation with Defendant Shenzhen Remax, including, without limitation, any and all entities offering for sale on any website accessible within the United States, are permanently enjoined from:

(i) imitating, copying, duplicating, counterfeiting, or otherwise making any use of “Remax,” the RE/MAX Mark or any mark dilutive of the distinctiveness of the RE/MAX Mark;

(ii) manufacturing, producing, distributing, circulating, selling, exporting out of or importing into the United States, or otherwise disposing of any printed material and/or product which bears “Remax,” or any copy or colorable imitation of the RE/MAX Mark;

(iii) using any unauthorized copy or colorable imitation of the RE/MAX Mark in such fashion as is likely to relate or connect Defendant Shenzhen Remax with RE/MAX or the RE/MAX Network;

(iv) causing injury to RE/MAX’s business reputation and to the distinctiveness of the RE/MAX Mark by unauthorized use of “Remax” or any identical or dilutively similar marks; and

\*10 (v) assisting, aiding, or abetting another person or business entity in engaging or performing any of the activities enumerated in subparagraphs (i) through (iv) above.

IT IS FURTHER RECOMMENDED that the Court order Defendant Shenzhen Remax, and any principals, agents, servants, employees, successors, and assigns of and all those in privity or concert with Defendant Shenzhen Remax who receive actual notice of said order, to deliver up for destruction any and all goods, product packaging, product displays, signage, promotional materials, advertisements, commercials, and other items in the possession, custody, or control of Defendant Shenzhen Remax which, if sold, distributed, displayed, or used, would violate the injunction herein granted, and to disable all websites and webpages, including, without limitation, any offers for sale on the websites [www.iremax.com](http://www.iremax.com), [www.iremax.hk](http://www.iremax.hk), [www.amazon.com](http://www.amazon.com), [www.ebay.com](http://www.ebay.com), [www.facebook.com](http://www.facebook.com), [www.alibaba.com](http://www.alibaba.com), and [www.dhgate.com](http://www.dhgate.com) to the extent they contain any content,

the display or use of which would violate the injunction herein granted. [15 U.S.C. § 1118](#).

IT IS FURTHER RECOMMENDED that the Court order Defendant Shenzhen Remax and any principals, agents, servants, employees, successors, and assigns of Defendant Shenzhen Remax and all those in privity, concert, or participation with Defendant Shenzhen Remax to serve upon RE/MAX within thirty (30) days after service of the order granting an injunction, a report in writing under oath setting forth in detail the manner and form in which Defendant Shenzhen Remax and/or any principals, agents, servants, employees, successors, and assigns of Defendant Shenzhen Remax and all those in privity, concert, or participation with Defendant Shenzhen Remax has complied with the injunction. [15 U.S.C. § 1116\(a\)](#).

IT IS FURTHER RECOMMENDED that the Court order Defendant Shenzhen Remax to pay for and cause to be disseminated to each distributor and reseller of Defendant Shenzhen Remax’s products bearing the REMAX mark a notice advising those persons of Defendant Shenzhen Remax’s acts of trademark dilution and advising of the issuance and content of the injunction herein requested.

IT IS FURTHER RECOMMENDED that the Plaintiff’s request for attorney’s fees be DENIED WITHOUT PREJUDICE with leave to refile a motion that complies with the local rules.

**Pursuant to [28 U.S.C. § 636\(b\)\(1\)\(C\)](#) and [Fed. R. Civ. P. 72\(b\)\(2\)](#), the parties have fourteen (14) days after service of this recommendation to serve and file specific written objections to the above recommendation with the District Judge assigned to the case. A party may respond to another party’s objections within fourteen (14) days after being served with a copy. The District Judge need not consider frivolous, conclusive, or general objections. A party’s failure to file and serve such written, specific objections waives *de novo* review of the recommendation by the District Judge, and waives appellate review of both factual and legal questions. [Thomas v. Arn](#), 474 U.S. 140, 148–53 (1985); [Makin v. Colorado Dep’t of Corrs.](#), 183 F.3d 1205, 1210 (10th Cir. 1999); [Talley v. Hesse](#), 91 F.3d 1411, 1412–13 (10th Cir. 1996).**

#### All Citations

Not Reported in Fed. Supp., 2019 WL 1081039

Footnotes

- 1 The Complaint also names Shenzhen City Rui He Technology Company Limited and Shenzhen Remax Technology Company Limited. [ECF. #1.] The Motion does not seek the entry of default judgment against these additional Defendants.
- 2 Judge Blackburn concluded that RE/MAX “made every reasonable effort to obtain a certificate [of service] and to achieve service on all defendants” and that “all defendants are in default under the Hague Convention.” [ECF. #33 at p.3.]
- 3 The Court also observes that, according to Shenzhen Remax’s website, its marketing center was established in 2010. See <http://www.iremax.hk/list-57-1.html> (last visited January 18, 2019). This further supports the Court’s conclusion.
- 4 RE/MAX offered no analysis on these factors to demonstrate its entitlement to a permanent injunction. Although the Court has nevertheless performed the analysis based on its own findings for the purposes of this Recommendation, in the future, counsel should be cognizant of its burden to establish *all* elements of its case, including entitlement to specific relief.