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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
Correspondence Address	ASHLEY KRAUSE 5075 S SYRACUSE ST DENVER, CO 80237 UNITED STATES Primary Email: tmcorrespondence@remax.com 303-796-3507
Submission	Reply in Support of Motion
Filer's Name	Hillary Maynard
Filer's email	jposthumus@polsinelli.com, hmaynard@polsinelli.com
Signature	/Hillary Maynar/d
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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.	)	

**REPLY BRIEF IN SUPPORT OF OPPOSER'S MOTION TO DISMISS APPLICANT'S  
COUNTERCLAIMS**

Opposer, RE/MAX, LLC (“Opposer”), by its attorneys, submits this reply brief to support its Motion to Dismiss (“Motion”) 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**

Applicant’s Response in Opposition to the Motion (“Response”) does nothing to change the fact that the Applicant’s counterclaims fail to state a claim for relief. First, Applicant fails to explain why its fraud claim should be allowed to stand in view of the heightened pleading standard. Rather, Applicant argues that the allegations in the counterclaim contain enough facts to state a claim to relief that is “plausible on its face.” However, in doing so, Applicant ignores both the Federal Rules and the TBMP, which require that a fraud claim be pled with a higher level of detail than other claims. Moreover, even taking Applicant’s conclusory averments in the counterclaim as true, they do not establish that Opposer made any false or fraudulent statements in connection

with the procurement of its registrations for the RE/MAX marks<sup>1</sup>, nor do they allege that Opposer had any bad faith intent to procure a registration to which it was not entitled. Second, Applicant fails to address the fatal deficiency in its generic counterclaim — Applicant does not allege any factual basis to support its bare-bones assertion that Opposer’s RE/MAX mark is, and was at the time the applications for the RE/MAX Marks were filed, generic — *i.e.*, that the relevant public understood that “RE/MAX” referred to the genus of Opposer’s services.

Applicant’s threadbare recitals of the elements of fraud and genericness are insufficient as a matter of law and as a result, the Petition must be dismissed under Rule 12(b)(6) for its failure to state a claim upon which relief.

### **ARGUMENT**

#### **1. Applicant Fails to Allege the Elements Necessary to State a Claim for Fraud.**

As Opposer previously argued, Applicant makes only conclusory allegations of fraudulent conduct—without providing any supporting facts—in its counterclaim. Such allegations are insufficient to maintain a fraud claim. *See Liberty Trousers Co. v. Liberty & Co.*, 222 U.S.P.Q. (BNA) 357, 358 (TTAB March 4, 1983) (“Petitioner’s allegation of fraud is deficient because it does not recite detailed facts tending to show willful or knowingly-made false representations by the registrant during *ex parte* prosecution of the application”; granting motion to dismiss); *see also Asian & Western Classics B.V. v. Selkow*, 2009 TTAB LEXIS 643, \*5 (Oct. 22, 2009). Applicant’s “intent” allegations are also deficient because they are conclusory and do not include any underlying facts. *Id.*; *see also World Hockey Ass’n v. Tudor Metal Prods. Corp.*, 185 U.S.P.Q. (BNA) ¶ 246 (T.T.A.B. Mar. 25, 1975) (“[A]pplicant’s allegation of fraud is deficient inasmuch as it does not recite facts tending to show that registrant had willfully, maliciously and/or knowingly

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<sup>1</sup> *See* 1 TTABVUE 1 for a full list of Opposer’s federal registrations for “RE/MAX” and “REMAX” (the “RE/MAX Marks”).

made false or inaccurate representations during the ex parte prosecution of the applications from which its registrations issued. That is to say, a mere charge of fraud without a detailed recitation of the facts or circumstances constituting same is improper pleading”; granting motion to dismiss).

Applicant’s Response fails to address how its counterclaim meets the higher level of detail required for fraud claims, including “the who, what, when, where and how of the alleged fraud,” *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1326-27 (Fed. Cir. 2009), as well as its failure to make a specific allegation that RE/MAX made false statements with the intent to procure a registration to which it was not entitled. *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 U.S.P.Q.2d 1203, 1205 (TTAB 1997). Simply put, Applicant’s counterclaim has no detailed, non-conclusory, factual allegations that could plausibly support a fraud claim. Accordingly, Applicant’s first counterclaim should be dismissed for failure to state a claim.

In its Response, Applicant points to certain allegations that it made in its fraud counterclaim, but fails to address how these allegations meet the required level of particularity for a fraud claim. Indeed, Applicant’s fraud allegations fall well short of what is required. First, it is well settled that an applicant is not required to state its awareness of the alleged genericness of the applied-for mark.<sup>2</sup> *Philanthropist.com, Inc. v. The General Conference Corporation Of Seventh-Day Adventists*, Cancellation No. 9206517, 2017 WL 3726500 (TTAB May 1, 2017). In *Philanthropist.com*, petitioner, moving to cancel respondent’s registrations for ADVENTIST, alleged that respondent: “1) was aware that members of the public encountering the mark for the goods and services understood the mark to mean anyone who believed in the second coming of Jesus Christ or to refer to Adventist belief systems denominations and organizations; 2) knew that the term ADVENTIST applied generally to a larger religious movement to which it was merely a

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<sup>2</sup> If the failure to proactively disclose the potential genericness of an applied-for mark was a sufficient basis for a fraud claim, thousands of registrations would be subject to cancellation for fraud due to such an alleged failure.

member; and 3) was aware that others were entitled to use the mark.” Cancellation No. 9206517, 2017 WL 3726500, at \*6 (TTAB May 1, 2017). In dismissing the fraud claim, the Board found:

The application form and application declaration do not include a requirement that an applicant state its awareness of how its applied-for mark will be encountered, or whether the applied-for mark has a meaning or a certain meaning to the general public, such as whether it applies to or refers to a movement. Petitioner does not allege that the examining attorney made a formal request for information about the meaning of the applied-for marks, or that Respondent made a material misrepresentation in its response to any such inquiry.

*Id.* The Board concluded that “to the extent that Petitioner intended to plead a claim of fraud on the USPTO based on an allegations that Respondent signed the application declarations with knowledge of another use or other uses of the same mark, the pleadings are deficient.” *Id.* The same is the case here. Opposer was not required to state its awareness of how its RE/MAX mark will be encountered, or whether its mark has a meaning or a certain meaning to the general public, and therefore, Opposer did not fail to disclose any facts to the USPTO in its applications for the RE/MAX Marks. *See id.*

Second, as explained in Opposer’s Motion, any allegation that others were allegedly using “RE/MAX” in a descriptive or generic manner at the time Opposer’s applications for the RE/MAX Marks were filed does not establish that Opposer’s declarations in its applications were false or fraudulent. The declarations only stated that Opposer believed it was entitled to use the mark in commerce, and that no other person or entity had “the right to use the mark in commerce.” The alleged descriptive or generic use of the term “RE/MAX” by others does not conflict with the statements in the declaration. Therefore, even if all of the averments in the counterclaim are taken as true, they do not show that Opposer made any false claims in the prosecution of its applications. *See Dragon Bleu (SARL) v. VENM, LLC*, 112 U.S.P.Q.2d 1925, 1928 n.9 (TTAB 2014) (dismissing fraud claim and stating that “there is no fraud absent an actually false statement”).

Third, Applicant does not allege any facts that others were using or were entitled to use “RE/MAX” to refer to their real estate services at the time Applicant filed its applications for the RE/MAX Marks. Applicant’s counterclaim does not reference *any* third-party use of the term “RE/MAX”, let alone a reference to “RE/MAX” referring to “real estate maximums” or real estate services. In fact, Applicant’s exhibit 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”).

Fourth, Applicant fails to sufficiently allege facts in support of its claim that the alleged falsehood is material. Applicant itself admits that RE/MAX 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 was 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. Applicant’s Response merely cites to the conclusory statements that the alleged false representations were material to registrability but fails to address RE/MAX’s argument that such statements are not sufficient to satisfy the motion to dismiss standard under FRCP 9(b). *See King Automotive, Inc. v. Speedy Muffler King, Inc.*, 212 USPQ 801 (C.C.P.A. 1981) (“Rule 9(b) requires that the pleadings contain explicit rather than implied expression of the circumstances constituting fraud.”).

Fifth, Applicant fails to plausibly allege that a false statement was made knowingly and with intention to deceive. Specifically, Applicant’s fraud counterclaim is devoid of any allegations that RE/MAX knowingly made the purportedly false statement or had the intent to deceive the USPTO into issuing a registration to which it is not entitled. *See Gay Pro. Men of Color*, No. 91252308, 2020 WL 2394376, at \*4 (TTAB May 8, 2020). “Intent to deceive [the USPTO] is an indispensable element of the analysis in a fraud case [and] is an element to be pleaded in a fraud

claim.” *Dragon Bleu*, 112 U.S.P.Q.2d at 1927. “Pleadings must allege sufficient underlying facts from which the Board may reasonably infer that a party acted with the requisite state of mind.” *De Rigo S.P.a V. Massimo Lozza & Fratelli Lozza LLC, Joined As Party Defendants*, No. CANCELLATION 9206866, 2019 WL 2317554, at \*5 (TTBA May 30, 2019).

Applicant merely alleges 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 1977 and that Applicant knew of such use. 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. Merely citing to Opposer’s own use of the term RE/MAX in connection with real estate services does not demonstrate that Opposer knew statements in its declarations were false (which they were not).

Applicant’s reliance on *Caymus Vineyards v. Caymus Med., Inc.*, 2013 TTAB LEXIS 343, 107 USPQ2d 1519 (TTAB 2013) is misplaced. *Caymus* involved an allegedly false statement regarding the geographical significance of the word “CAYMUS”. During examination, the Examining Attorney had asked opposer (when an applicant) whether CAYMUS had any geographical significance or any meaning in a foreign language. As a result of that communication, the Examining Attorney entered the amendment “[t]he wording 'CAYMUS' has no significance other than trademark significance.” The Board held that Applicant sufficiently alleged fraud because, in support of its claim that Opposer chose CAYMUS with actual knowledge that the word had primarily geographic significance, Applicant alleged that opposer knowingly, and with deceptive intent, failed to disclose that opposer’s “grapes are grown and/or its wine is produced

near or at the Caymus locale," and therefore CAYMUS was geographically significant with respect to the goods. *Id.* Conversely, the case at hand does not involve a geographically descriptive mark, and Applicant alleges no facts that plausibly support its claim that Opposer was aware of any third-party's rights to use the RE/MAX mark.

**2. Applicant Fails to Allege the Elements Necessary to State a Claim for Genericness.**

Applicant's counterclaim merely recites the elements of the claim and repeats the conclusive assertion that the term "RE/MAX" is generic because relevant purchasers will recognize it as synonymous with the wording it allegedly represents. Such "[t]hreadbare recitals of the elements of a cause of action, supported by merely conclusory statements" are insufficient to state a claim upon which relief may be granted. *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (citing *Bell Atlantic v. Twombly*, 550 U.S. 554, 555 (2007)). *See also Collaborative Continuing Educ. Council Inc.*, No. 91256129, 2021 WL 2769893, at \*4 (TTAB June 29, 2021) (dismissing genericness claim where Opposer failed to allege that the mark itself, rather than its component parts, "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.'") (internal citations omitted). When the Applicant's "generic" counterclaim is stripped of summary legal conclusions, it is unquestionable that Applicant falls far short of alleging facts that allows a reasonable inference that "RE/MAX" plausibly "connotes the basic nature of [real estate] services" and is "perceive[d] [] primarily as the designation of [Applicant's real estate services]." *Icon Health & Fitness, Inc. v. Kelley*, No. 1:17-CV-356-LY, 2018 WL 4323950, at \*3 (W.D. Tex. Sept. 7, 2018), *report and recommendation adopted*, No. 1:17-CV-356-LY, 2018 WL 6795853 (W.D. Tex. Oct. 3, 2018) (internal citations omitted).

First, Applicant’s Response misstates the pleading requirement for a claim of genericness. In order to survive a motion to dismiss, Applicant is required to “allege[] facts regarding how the relevant public... primarily understands the term” RE/MAX. *See Joan Pletcher v. Ocala Horse Prop., LLC*, No. 91244414, 2020 WL 6638604, at \*2 (TTAB Nov. 5, 2020). Applicant does not lay the framework for a sufficient genericness claim that the wording “RE/MAX” is incapable of functioning as a registrable trademark denoting source. Applicant’s counterclaim and Response do not include factual allegations regarding how the wording “RE/MAX” is understood by the relevant public to refer to the genus of Opposer’s services.

Second, Applicant improperly makes much ado about two designations not before the Board, “RE” and “MAX” — an Applicant-conceived dissection of the RE/MAX mark — to support its claim that the term RE/MAX is generic for “real estate maximums.”<sup>3</sup> However, this is inadequate to state a claim that the mark actually before the Board, “RE/MAX,” is generic for real estate services. Applicant ignores the substantial body of case law establishing that “[t]he commercial impression of a trademark is derived from it as a whole, not from its elements separated and considered in detail.” *Beckwith v. Commr. of Patents*, 252 U.S. 538, 545-46 (1920). *See also Ass’n of Co-operative Members, Inc. v. Farmland Industries, Inc.*, 684 F.2d 1134, 1140 (5th Cir. 1982) (“Common words in which no one may acquire a trademark because they are descriptive or generic may, when used in combination, become a valid trademark.”); *In re Colonial Stores, Inc.*, 394 F.2d 549, (C.C.P.A. 1968) (same).

Even taking Applicant’s allegations that RE/MAX is an abbreviated term as true, the definitions of the component parts of a unitary mark do not serve to demonstrate the public’s

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<sup>3</sup> Applicant alleges that it submitted a dictionary definition of REMAX. *See* 4 TTABVUE 39-44, Exs. E-F; 8 TTABVUE 23. Opposer notes that 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.

understanding of the unitary mark. *See Brinktun, Inc. v. Klauber Games, Inc.*, 143 U.S.P.Q. 46, 47 (T.T.A.B. 1964) (dismissing 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”).

Applicant cites to non-precedential and non-binding case law finding that the term “RE” is an abbreviation for “real estate” and the term “MAX” is an abbreviation for the descriptive or suggestive term “maximum.” 8 TTABVUE 17. However, while the Board opined that “RE” is an abbreviation for “real estate”, there was no finding as to the genericness of the term, and the Board sustained the opposition for likelihood of confusion between Opposer’s RE/MAX mark and the mark RE-FAX for services related to real estate. *See RE/MAX Int’l, Inc. v. Blagden*, 2000 TTAB LEXIS 762, \*16 (TTAB 2000). With regards to the term “MAX”, the Board found that the term was *descriptive*, rather than generic. *See RE/MAX Int’l Inc.*, No. 2006, 2008 WL 5256414, at \*4 (TTAB Dec. 10, 2008). This case law fails to establish that the terms “RE” and “MAX” are generic for real estate services. *See Icon Health & Fitness, Inc.*, 2018 WL 4323950 at \*4 (granting defendant’s motion to dismiss cancellation of mark as generic where plaintiff relied on a dissection of the mark and cited to case law finding that the separate terms were descriptive, not generic; “Here, it is clear beyond cavil that "Fit" does not identify an entire class of fitness-related equipment and apps. Rather, at most, it describes a characteristic of the product.”).

Frankly, the genericness count sinks quickly under the weight of the reality that the public does not understand the term RE/MAX as the genus of Applicant’s real estate services. Applicant

failed to provide any factual support for its allegation that consumers refer to RE/MAX as anything other than a trademark. *See Collaborative Continuing Educ. Council Inc.*, 2021 WL 2769893, at \*4 (“Opposer again fails to allege that [the mark] 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’”; granting motion to dismiss genericness claim) (internal citations omitted). *See also In Re Dental Emporium Corp.*, No. 86942024, 2017 WL 4460481, at \*5 (TTAB Sept. 11, 2017) (“Whether a proposed mark is generic rests on its primary significance to the relevant public.”). 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”).

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 and grant any further relief that this Board deems just and proper.

Respectfully submitted,

Dated: October 13, 2021

/John R. Posthumus/  
John R. Posthumus  
Polsinelli PC  
1401 Lawrence Street, Suite 2300  
Denver, CO 80202  
D: 720.931.1191  
F: 720.528.7880  
[jposthumus@polsinelli.com](mailto:jposthumus@polsinelli.com)

Hillary E. Maynard  
Polsinelli PC  
150 N. Riverside Plaza, Suite 3000  
Chicago, IL 60606  
D: 312.463.6255  
F: 312.602.3971  
[hmaynard@polsinelli.com](mailto:hmaynard@polsinelli.com)

Attorneys for Opposer,  
RE/MAX LLC

**CERTIFICATE OF SERVICE**

This is to certify that on this 13<sup>th</sup> day of October, 2021, a copy of the foregoing **REPLY BRIEF IN SUPPORT OF OPPOSER'S MOTION TO DISMISS APPLICANT'S COUNTERCLAIMS** was served on the following attorney of record via electronic mail:

FRANK J BONINI JR  
BONINI IP LAW LLC  
150 N RADNOR CHESTER RD, SUITE F200  
RADNOR, PA 19087  
UNITED STATES  
[fbonini@boninilaw.com](mailto:fbonini@boninilaw.com), [darryl@legaladvicenow.ca](mailto:darryl@legaladvicenow.ca)

/John R. Posthumus/  
John Posthumus