

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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March 9, 2023

Opposition No. 91273333

Entrepreneurial Ventures Capital Co., L.L.C.

v.

Williams-Sonoma, Inc.

By the Trademark Trial and Appeal Board:

On November 17, 2022, the Board granted Williams-Sonoma, Inc.'s ("Applicant") motion to dismiss the false suggestion of a connection and misrepresentation of source claims in Entrepreneurial Ventures Capital Co., L.L.C.'s ("Opposer") first amended notice of opposition. 11 TTABVUE 10-11. In doing so, the Board found that while Opposer had sufficiently pleaded dilution and likelihood of confusion, Opposer's allegations of false suggestion of a connection and misrepresentation of source were insufficient. *See id.* at 7-11. The Board allowed Opposer time to file a second amended notice of opposition, *id.* at 11, which Opposer did. *See* 12 TTABVUE.

In its second amended notice of opposition, Opposer re-alleges misrepresentation of source (along with likelihood of confusion and dilution), but not false suggestion of a connection. *See id.* In view thereof, the false suggestion of a connection claim is given no further consideration.

This proceeding now comes before the Board on Applicant's motion, filed December 8, 2022, to dismiss the misrepresentation of source claim in Opposer's second amended notice of opposition. 13 TTABVUE. Opposer filed a response. 14 TTABVUE.

The Board has considered the arguments submitted in connection with the motion, but, for the sake of brevity, does not repeat or discuss all of the parties' arguments. *Guess? IP Holder L.P. v. Knowlux LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015). The Board incorporates by reference the discussion of the background and history of the proceeding set forth in its November 17, 2022 order (11 TTABVUE).

I. Legal Standard

As the Board noted in its November 17, 2022 order (11 TTABVUE), a motion to dismiss under Rule 12(b)(6) is solely a test of the sufficiency of a complaint. *See Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *NSM Res. Corp. v. Microsoft Corp.*, 113 USPQ2d 1029, 1032 (TTAB 2014). To withstand a motion to dismiss for failure to state a claim upon which relief can be granted, a plaintiff need only allege sufficient factual content that, if proved, would allow the Board to conclude that the plaintiff has an entitlement to a statutory cause of action,¹ and a valid ground exists for opposing or cancelling the registration. *Doyle v. Al Johnson's Swedish Rest. & Butik Inc.*, 101 USPQ2d 1780, 1782 (TTAB 2012) (citing *Young v. AGB Corp.*, 152 F.2d 1377, 47

¹ As the Board found previously, the second amended notice of opposition sufficiently pleads Opposer's entitlement to a statutory cause of action. *See* 11 TTABVUE 5-6 (entitlement sufficiently pleaded by allegation that Opposer owns a registration for a mark that is likely to be confused with the mark in Applicant's subject application).

USPQ2d 1752, 1754 (Fed. Cir. 1998); *see also* TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 503.02 (2022).

II. The Parties' Arguments

Applicant argues that Opposer's second amended notice of opposition fails to state a claim upon which relief can be granted with respect to its claim for misrepresentation of source under Section 14(3) of the Trademark Act, 15 U.S.C. § 1064(3). *See generally* 13 TTABVUE. In particular, Applicant argues that "Opposer's revised claim is wholly devoid of any allegations that show either (a) specific conduct by [Applicant] deliberately aimed at passing off its goods as those of Opposer or (b) the nature of injury to Opposer resulting from such conduct." *Id.* at 3.

In response, Opposer argues that by identifying the website at which Applicant allegedly uses its mark it "has pleaded what is minimally necessary pursuant to the pleading standards," and that "[i]t serves no substantive purpose for Registrant Opposer to describe the very page published by and known to Applicant, as Registrant Opposer has, by incorporated averments, pleaded the present use, the source, and the injury." 14 TTABVUE 3. Opposer also seeks leave to replead if the claim is found insufficient. *Id.*

III. Analysis and Order

A plaintiff asserting misrepresentation of source "must do more than make a bald allegation in the language of the statute, as this does not give fair notice of the basis for [the] claim." *Pepsico, Inc. v. Arriera Foods LLC*, 2022 USPQ2d 856, at *13 (TTAB 2022) (citing *Otto Int'l, Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1864 (TTAB 2007)).

Specifically, a plaintiff must plead the following three elements to set forth a viable claim for misrepresentation of source: (1) present use of the challenged mark by the defendant; (2) specific acts or conduct by the defendant that are deliberately aimed at passing-off its goods as those of the plaintiff; and (3) the nature of the injury to plaintiff as a result of defendant's deliberate conduct (i.e. damage to reputation or lost sales). *Id.* (citing *Otto*, 83 USPQ2d at 1864 and *Meenaxi Enter., Inc. v. Coca-Cola Co.*, 38 F.4th 1067, 2022 USPQ2d 602, at *6 (Fed. Cir. 2022)). Where, as here, the defendant's application is not use-based, the pleading (1) must include sufficient facts to support use of the applied-for mark in commerce and (2) must be able to point to present, not speculative future, activity of the defendant aimed at deceiving the public that results in the misrepresentation of source. *Pepsico*, 2022 USPQ2d 856, at *9.

Misrepresentation of source is not supported by allegations of “[w]illful use of a confusingly similar mark.” *Bayer Consumer Care AG v. Belmora LLC*, 110 USPQ2d 1623, 1632 (TTAB 2014), *aff'd*, 338 F. Supp. 3d 477 (E.D. Va. 2018), *aff'd in relevant part, vacated and remanded on other grounds*, 987 F.3d 284, 2021 USPQ2d 126 (4th Cir. 2021) (citing *McDonnell Douglas Corp. v. Nat'l Data Corp.*, 228 USPQ 45, 47 (TTAB 1985)). Rather, the claim “refers to situations where it is deliberately misrepresented by or with the consent of the [defendant] that goods and/or services originate from a manufacturer or other entity when in fact those goods and/or services originate from another party.” *Belmora*, 110 USPQ2d at 1632 (quoting *Osterreichischer Molkerei-und Kasereiverband Registrierte GmbH v. Marks & Spencer*

Ltd., 203 USPQ 793, 794 (TTAB 1979) and citing *Global Maschinen GmbH v. Global Banking Sys., Inc.*, 227 USPQ 862, 864 n.3 (TTAB 1985)). The defendant’s use must be a “blatant misuse of the mark . . . **in a manner calculated to trade on the goodwill and reputation of**” the plaintiff. *Otto*, 83 USPQ2d at 1863 (emphasis added); *see also* J. THOMAS MCCARTHY, 3 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 20:60 (5th ed. March 2023) (“A § 14(3) misrepresentation claim must go beyond the usual allegations that support a § 2(d) likelihood of confusion claim.”).

In fact, the Board has stated in the past that

application [of Section 14(3)] under the decisional law has . . . been limited to cases involving deliberate and blatant misrepresentation of source wherein the registration is merely a vehicle for the misuse rather than evidence of even a colorable ownership claim, and where the mark is intentionally displayed in such a manner as to facilitate passing off the goods as those of another.

Global Maschinen GmbH, 227 USPQ at 863, n.3.

Count II of the second amended notice of opposition states, inter alia:

16. Applicant has used or intends to use the Pending Mark so as to misrepresent the source of its goods or services, and to confuse said goods or services with those of Registrant Opposer.

....

18. Applicant has used the Pending Mark <https://www.williams-sonoma.com/pages/the-oneregistry-collective/>.

....

24. Applicant has misrepresented source under Section 14(3) of the Trademark Act, 15 U.S.C. § 1064(3), by actually presently blatantly using the Pending Mark in interstate commerce on its website at <https://www.williams-sonoma.com/pages/the-one-registry-collective/> in violation of Registrant Opposer’s rights.

25. For the foregoing reasons, Registrant Opposer believes it will be and will be [sic] damaged by the registration of the Pending Mark.

12 TTABVUE 4-5.

While Opposer has now pleaded that Applicant is currently using the mark in commerce, Opposer has still not pleaded any facts to demonstrate that such use constitutes a blatant misuse of Opposer's pleaded mark. Specifically, Opposer has not alleged any specific acts or conduct by Applicant that are **deliberately aimed at passing-off its goods as those of Opposer**. *See Otto*, 83 USPQ2d at 1864 (“[T]here is no mention of specific acts or conduct by respondent aimed at deceiving the public into thinking that respondent's goods actually emanate from petitioner.”).² Additionally, Opposer has not alleged the nature of the injury to Opposer as a result of Applicant's deliberate conduct, such as damage to reputation or lost sales. Instead, Opposer only alleges that it “will be damaged by the registration of” Applicant's mark. *See* 12 TTABVUE 5.

In view thereof, Applicant's motion to dismiss Opposer's claim of misrepresentation of source (Count II) is **granted** to the extent noted below.

IV. Leave to Replead

When finding a pleading deficient, as we have here, it is the Board's general practice to grant leave to amend the pleading, if leave to replead would not be futile.

² Opposer's allegation that Applicant is “blatantly using” its mark “in violation of Registrant Opposer's rights” is either an allegation of trademark infringement, which the Board has no jurisdiction to decide, *see, e.g., General Mills Inc. v. Fage Dairy Processing Industry SA*, 100 USPQ2d 1584, 1591 (TTAB 2011) (no authority to determine the broader question of infringement), or a further allegation of likelihood of confusion. These allegations do “not give fair notice of the basis for [the] claim.” *Pepsico, Inc.*, 2022 USPQ2d 856, at *13 (citing *Otto*, 83 USPQ2d at 1864).

Dragon Bleu (SARL) v. VENM, LLC, 112 USPQ2d 1925, 1929 n.10 (TTAB 2014).

Accordingly, Opposer is allowed until **March 30, 2023**, to file and serve a third amended notice of opposition which includes sufficient allegations to support the claim of misrepresentation of source, pursuant to the guidelines set forth herein,³ failing which Opposer's second amended pleading filed on November 18, 2022 (12 TTABVUE) will remain Opposer's operative pleading but only with regard to its asserted claims of likelihood of confusion and dilution.⁴

In turn, Applicant is allowed until **April 19, 2023**, to file and serve its answer to the third amended notice of opposition, if one is filed; if one is not filed, Applicant is allowed until the same date to file and serve its answer to the second amended notice of opposition as limited by this order.

V. Proceedings Resumed; Dates Reset

Proceedings are resumed. The remaining dates are reset as follows:

Deadline for Discovery Conference	5/19/2023
Discovery Opens	5/19/2023
Initial Disclosures Due	6/18/2023
Expert Disclosures Due	10/16/2023
Discovery Closes	11/15/2023
Plaintiff's Pretrial Disclosures Due	12/30/2023
Plaintiff's 30-day Trial Period Ends	2/13/2024
Defendant's Pretrial Disclosures Due	2/28/2024

³ If Opposer again fails to sufficiently plead a claim of misrepresentation of source, the misrepresentation of source claim may be dismissed with prejudice. *See McDonnell Douglas Corp. v. Nat'l Data Corp.*, 228 USPQ 45 (TTAB 1985) (claim dismissed with prejudice after petitioner failed to plead a sufficient claim after being allowed two opportunities to replead).

⁴ If Opposer does file and serve a third amended pleading, Opposer should reassert its allegations supporting its entitlement to a statutory cause of action, as well as the allegations supporting its claims of likelihood of confusion and dilution.

Defendant's 30-day Trial Period Ends	4/13/2024
Plaintiff's Rebuttal Disclosures Due	4/28/2024
Plaintiff's 15-day Rebuttal Period Ends	5/28/2024
Plaintiff's Opening Brief Due	7/27/2024
Defendant's Brief Due	8/26/2024
Plaintiff's Reply Brief Due	9/10/2024
Request for Oral Hearing (optional) Due	9/20/2024

IMPORTANT TRIAL AND BRIEFING INSTRUCTIONS

Generally, the Federal Rules of Evidence apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125, 37 C.F.R. §§ 2.121-2.125. These include pretrial disclosures, the manner and timing of taking testimony, matters in evidence, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition transcripts and stipulated evidence. Trial briefs shall be submitted in accordance with Trademark Rules 2.128(a) and (b), 37 C.F.R. §§ 2.128(a) and (b). Such briefs should utilize citations to the TTABVue record created during trial, to facilitate the Board's review of the evidence at final hearing. *See* TBMP § 801.03. Oral argument at final hearing will be scheduled only upon the timely submission of a separate notice as allowed by Trademark Rule 2.129(a), 37 C.F.R. § 2.129(a).