

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

January 19, 2023

Opposition No. 91278032

CreditSense Business Advisors, LLC

v.

Credit Suite, Inc.

By the Trademark Trial and Appeal Board:

Applicant seeks registration of the mark FUNDABILITY (standard characters) for “business organization and operation consultancy” in International Class 35.¹ Opposer has opposed registration on the grounds of likelihood of confusion, non-ownership, false suggestion of a connection, and fraud.

This case now comes before the Board for consideration of Applicant’s motion to dismiss Opposer’s notice of opposition for failure to state a claim upon which relief can be granted under Fed. R. Civ. P. 12(b)(6), filed in lieu of an answer.² The motion is contested.

¹ Application Serial No 90480463, filed January 21, 2021, based on Applicant’s asserted use in commerce under Trademark Act Section 1(a).

² 5 TTABVUE. Record citations are to TTABVUE, the Board’s publicly available docket history system. *See, e.g., New Era Cap Co., Inc. v. Pro Era, LLC*, 2020 USPQ2d 10596, *2 n.1 (TTAB 2020). The number preceding “TTABVUE” corresponds to the docket entry number; the number(s) following “TTABVUE” refer to the page number(s) of that particular docket entry, if applicable.

The Board has considered the parties' submissions and presumes the parties' familiarity with the factual bases for the motion, and does not recount the facts or arguments here, except as necessary to explain the Board's order. See *Guess? IP Holder L.P. v. Knowlux LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015).

I. Applicant's Motion to Dismiss

A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the sufficiency of the complaint. *Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *NSM Research Corp. v. Microsoft Corp.*, 113 USPQ2d 1029, 1032 (TTAB 2014).

To withstand a motion to dismiss, a plaintiff need only allege facts that, if proved, would allow the Board to conclude, or to draw a reasonable inference, that (1) the plaintiff is entitled to a statutory cause of action to maintain the proceeding, and (2) a valid ground exists for seeking to oppose the registration. See, e.g., *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982); *Nike, Inc. v. Palm Beach Crossfit Inc.*, 116 USPQ2d 1025, 1028 (TTAB 2015).

For purposes of determining a motion to dismiss for failure to state a claim, the complaint must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(e). *IdeasOne Inc. v. Nationwide Better Health*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007). "Threadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice" and are not accepted

as true. *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (citing *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007)). However, all well-pleaded, material allegations in the complaint are accepted as true and construed in the light most favorable to the plaintiff. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1027 (Fed. Cir. 1999); *Young*, 47 USPQ2d at 1754; *Advanced Cardiovascular Sys.*, 26 USPQ2d at 1041; *Fair Indigo*, 85 USPQ2d at 1538.

At this stage, the Board does not consider the merits of the plaintiff's entitlement to a cause of action or its claims. *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007); *Libertyville Saddle Shop Inc. v. E. Jeffries & Sons Ltd.*, 22 USPQ2d 1594, 1597 (TTAB 1992). Whether a plaintiff will be able to prove its claims is a matter for trial or summary judgment and is not relevant to the Board's assessment of the legal sufficiency of the pleading. *Guess? IP Holder*, 116 USPQ2d at 2019-20; *see also Advanced Cardiovascular Sys.*, 26 USPQ2d at 1041.

As a preliminary matter, Applicant attached several exhibits in support of its motion.³ Under Fed. R. Civ. P. 12(b)(6), if matters outside the pleadings are presented, and not excluded by the Board, the motion will normally be converted to one for summary judgment. *Advanced Cardiovascular Sys.*, 26 USPQ2d at 1044. Here, however, the motion to dismiss was filed before the parties' initial disclosures were due, and there is nothing in the record to indicate that initial disclosures have been served. Therefore, the motion to dismiss will not be considered as a motion for

³ The Board reminds both parties that providing hyperlinks to Internet materials is insufficient to make such materials of record. *See, e.g., TV Azteca, S.A.B. de C.V. v. Martin*, 128 USPQ2d 1786, 1790 n. 14 (TTAB 2018); *In re Olin Corp.*, 124 USPQ2d 1327, 1332 n. 15 (TTAB 2017); *Safer Inc. v. OMS Investments Inc.*, 94 USPQ2d 1031, 1039 (TTAB 2010).

summary judgment. *See* Trademark Rule 2.127(e)(1), 37 C.F.R. § 2.127(e)(1); *see also Nike, Inc.*, 116 USPQ2d at 1028; *Qualcomm, Inc. v. FLO Corp.*, 93 USPQ2d 1768, 1769-70 (TTAB 2010); *see also* TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (“TBMP”) §§ 503.04 and 528.02 (2022).

A. Entitlement to a Statutory Cause of Action

To establish entitlement to a statutory cause of action under Sections 13 or 14 of the Trademark Act, a plaintiff must demonstrate a real interest in the proceeding and a reasonable belief of damage. *Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 2020 USPQ2d 10837 at *3 (Fed. Cir. 2020); *see also Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058 (Fed. Cir. 2014); *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1727 (Fed. Cir. 2012).

Opposer alleges, inter alia, it has used and continues to use, and owns pending applications for, the marks FUNDABILITY and GET FUNDABLE! for services related to those recited in the subject application,⁴ there is a likelihood of confusion between its pleaded common law rights and the subject application, and the parties are competitors.⁵ These allegations are sufficient, if proven, to establish Opposer’s entitlement. *Peterson v. Awshucks SC, LLC*, 2020 USPQ2d 11526, *6 (TTAB 2020) (entitlement to a statutory cause of action found where plaintiff and defendant are competitors); *Giersch v. Scripps Networks, Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009) (standing established by showing common law rights).

⁴ *See, e.g.*, Notice of Opposition, ¶¶ 19-22, 33, 42-44, 53-60 (1 TTABVUE 7-12).

⁵ *Id.*, ¶¶ 77, 93 (1 TTABVUE 14-15).

Applicant argues Opposer's pleading is inconsistent, the pleaded marks are owned not by Opposer but Fundability, Inc., it is too late for Fundability, Inc. to file a notice of opposition, and Opposer has not established privity with that entity. In support of this argument Applicant focuses on the allegations in paragraphs 2-5 of the notice of opposition. However, Applicant's arguments do not account for Opposer's subsequent allegations, inter alia, that:

- Opposer is the owner of common law rights to the mark FUNDABILITY and its pending application;⁶
- Opposer "has a pending Application and common law trademark rights for the GET FUNDABLE! word mark";⁷
- Opposer "is the owner of the Intellectual Property and associated goodwill for the FUNDABILITY Application, the GET FUNDABLE! Application, and other valuable asserts";⁸ and
- identify Fundability, Inc. as a "licensee".⁹

When reading the pleading in its entirety and so as to do justice, as required, the Board is not persuaded that the pleading is inconsistent. Rather, it construes Opposer's pleading as alleging that Fundability, Inc. is Opposer's licensee. As the alleged owner of the pleaded marks Opposer has sufficiently pleaded entitlement.¹⁰

Moreover, Applicant's argument that Opposer is not the owner of the pleaded marks or applications is premature at the pleading stage because such an argument concerns whether Opposer can prove its allegations.¹¹ A motion made under Fed. R.

⁶ *Id.* at ¶¶ 19, 22, 23, 53 (1 TTABVUE 7, 8, 11).

⁷ *Id.* at ¶¶ 24, 57 (1 TTABVUE 8, 12).

⁸ *Id.* at ¶ 38 (1 TTABVUE 10).

⁹ *Id.* at ¶ 74 (1 TTABVUE 14).

¹⁰ Opposer must maintain and prove entitlement at trial or on summary judgment. TBMP § 309.03(b).

¹¹ The Board reminds the parties it has no jurisdiction over a pleaded application that is still pending before an examining attorney. *See Home Juice Co. v. Runmlin Cos.*, 231 USPQ 897,

Civ. P. 12(b)(6) is a challenge only to the “legal theory of the complaint, not the sufficiency of any evidence that might be adduced.” *Advanced Cardiovascular Sys.*, 26 USPQ2d at 1041; *Fair Indigo*, 85 USPQ2d at 1538. Whether Opposer can prove rights in its marks, as it has pleaded, is an issue to be considered at final decision after trial or on a procedurally proper motion for summary judgment.

In view of the foregoing, Applicant’s motion to dismiss as to Opposer’s entitlement to a statutory cause of action is **denied**.

Moreover, to the extent Applicant seeks to strike all references to Fundability, Inc. or the GET FUNDABLE! mark, the motion is also **denied**.¹² Under Fed. R. Civ. P. 12(f) the Board may strike from a pleading an insufficient defense or any redundant, immaterial, impertinent or scandalous matter. Fed. R. Civ. P. 12(f); TBMP § 506.01. “However, motions to strike are not favored, and matter will not be stricken unless such matter clearly has no bearing upon the issues in the case.” *Ohio State Univ. v.*

898 n. 7 (TTAB 1986); *Int’l Tel. and Tel. Corp. v. Int’l Mobile Mach. Corp.*, 218 USPQ 1024, 1026 (TTAB 1983).

¹² To the extent Applicant is seeking to dismiss the proceeding for failure to join a necessary party, this is also denied. As an initial matter, the fact that two or more parties may have an interest in a mark to be pleaded in a notice of opposition does not mean that each such party must be joined as opposer. TBMP § 303.06. While joint filing is permissible, it is not required. *See id.*; *Avia Grp. Int’l Inc. v. Faraut*, 25 USPQ2d 1625, 1627 (TTAB 1992) (denying motion to join petitioner’s parent as real party in interest because proceeding involved “what rights petitioner has in its pleaded marks vis-à-vis the defendant, not what right anyone else may have in it...”) Additionally, even if the Board was persuaded by Applicant’s position that the notice of opposition identifies Fundability, Inc. as the owner of common law rights to any of the pleaded marks, it is well-established that a licensee has entitlement to bring a notice of opposition. *See, e.g., Moreno v. Pro Boxing Supplies, Inc.*, 124 USPQ2d 1028, 1033-34 (TTAB 2017); *Syngenta Crop Protection, Inc. v. Bio-Chek, LLC*, 90 USPQ2d 1112, 1118 n. 8 (TTAB 2009). The Board further notes that a review of the assigned records for each of Opposer’s pleaded applications show that Opposer is, and was as of the filing of the notice of opposition, the current owner of each application. As for Application Serial No. 97082206 an assignment from Fundability, Inc. to Opposer was recorded on August 16, 2022, at Reel/Frame 7815/0456.

Ohio Univ., 51 USPQ2d 1289, 1292 (TTAB 1999). As explained herein, Opposer's allegations regarding Fundability, Inc. and the GET FUNDABLE! mark are, at a minimum, part of Opposer's allegations regarding its entitlement, and are not redundant, immaterial, impertinent or scandalous.

B. Likelihood of Confusion

To sufficiently plead a claim under Section 2(d) of the Trademark Act, a plaintiff need only allege proprietary rights that are prior to the defendant's rights, and that the defendant's mark so resembles plaintiff's mark as to be likely to cause confusion. 15 U.S.C. § 1025(d); *Nike, Inc.*, 116 USPQ2d at 1030. To establish priority on a likelihood of confusion claim a party must prove that, vis-à-vis the other party, it owns "a mark or trade name previously used in the United States ... and not abandoned...." 15 U.S.C. § 1052(d).

As an initial matter, because the filing dates for the pleaded applications for the marks FUNDABLITY and GET FUNDABLE! are subsequent to the filing date of the involved application, Opposer may not rely on the applications to establish priority. *See Truescents LLC v. Ride Skin Care LLC*, 81 USPQ2d 1334, 1339 (TTAB 2006).

When reading the pleading as a whole, Opposer has sufficiently alleged priority and likelihood of confusion as to its asserted common law mark FUNDABILITY for

- Business advice and information relating to finance, credit, credit education, credit repair, and credit restoration; Business management consulting relating to finance, credit, credit education, credit repair, and credit restoration; Business organization consultancy; Assistance, advisory services and consultancy with regard to business, finance, credit, credit education, credit repair, and credit restoration; Business consulting services in the field of finance, credit, credit education, credit repair, and credit restoration; Business management consulting and advisory services

for finance, credit, credit education, credit repair, and credit restoration; and Consultancy and advisory services in the field of business and financial strategy.

- Financial consulting; Financial advice; Providing business information and financial advice via a website; Financial services, namely, consultation for business, finance, credit, credit education, credit repair, and credit restoration; Credit counseling services; Credit risk management; Credit optimization; Credit inquiry and consultation; Evaluation of the credit worthiness of companies and private individuals; Financial services, namely, credit education, credit repair, and credit restoration; Educational services, namely, conducting classes, workshops, bootcamps in the fields of business, finance, credit, credit education, credit repair, and credit restoration and distribution of course material in connection therewith; Entertainment services, namely, providing podcasts in the field of business and finance; On-line journals, namely, blogs featuring business, finance, credit, credit education, credit repair, and credit restoration; Educational course materials in the field of business, finance, credit, credit education, credit repair, and credit restoration; Course materials in the field of consultation for business, finance, credit, credit education, credit repair, and credit restoration; Publications, namely, brochures, booklets, and teaching materials in the field of business, finance, credit, credit education, credit repair, and credit restoration; and Providing a website featuring blogs, publications, and articles in the field of business, finance, credit, credit education, credit repair, and credit restoration.
- Podcasts, videos, audio, and live streams in the field of business, finance, credit, credit education, credit repair, and credit restoration; Providing podcasts, videos, audio, and live streams in the field of business, finance, credit, credit education, credit repair, and credit restoration; and Entertainment services, namely, providing podcasts, videos, audio, and live streams in the field of business, finance, credit, credit education, credit repair, and credit restoration; and
- Business consulting.¹³

Opposer also alleges common law rights to GET FUNDABLE! and FUNDABLE.

Throughout the background of the notice of opposition, Opposer refers to GET

¹³ See, e.g., Notice of Opposition, ¶¶ 20, 203-213, 215-217, 250-253 (1 TTABVUE 7-8, 37-39, 43-44). The identification of services for “Applicant’s Fundability Mark” in paragraph 214 do not accurately reflect the services recited in the subject application. See 1 TTABVUE 38-39. Opposer should carefully review any amended pleading for accuracy.

FUNDABLE! as a common law mark.¹⁴ However, the Section 2(d) claim is specifically identified as “Likelihood of Confusion with the FUNDABLE Mark” and then provides allegations as to a FUNDABLE mark, although it also refers to the pending GET FUNDABLE! application.¹⁵ In view of the foregoing, it is unclear which common law mark (or both) Opposer is relying on for its likelihood of confusion claim. Therefore, the Board finds Opposer has failed to plead a legally sufficient likelihood of confusion claim to any mark other than FUNDABILITY.

In view of the foregoing, Applicant’s motion to dismiss Opposer’s likelihood of confusion claim is **granted in part and denied in part**, as set forth above.

C. Non-Ownership

Only the owner of a mark may apply to register it. 15 U.S.C. § 1051(a). A use-based application filed by a person who does not own the mark at the time of filing is void ab initio. *Hollywood Casino LLC v. Chateau Celeste, Inc.*, 116 USPQ2d 1988, 1992 (TTAB 2015); *see also* Trademark Rule 2.71(d), 37 C.F.R. § 2.71(d) (“An application filed in the name of an entity that did not own the mark as of the filing date of the application is void.”).

Typically, a non-ownership claim arises where there was a prior relationship between the parties. *See Wonderbread 5 v. Giles*, 115 USPQ2d 1296 (TTAB 2015) (deciding ownership dispute between a band and one of its former members); *UVeritech, Inc. v. Amax Lighting, Inc.*, 115 USPQ2d 1242 (2015) (addressing ownership between manufacturer and distributor); *Conolty v. Conolty O’Connor NYC*

¹⁴ See Notice of Opposition, ¶¶ 24, 57-59, and 60 (1 TTABVUE 8, 12).

¹⁵ See *id.* at ¶¶ 219-249 (1 TTABVUE 39-43).

LLC, 111 USPQ2d 1302, 1303-04 (TTAB 2014) (finding a claim of non-ownership based on allegations of a dispute between former business partners concerning ownership of the mark for golf clothing); *Nahshin v. Prod. Source Int'l LLC*, 107 USPQ2d 1257 (TTAB 2013) (considering ownership of the mark NICOUT/NIC OUT where the cigarette filters that respondent sold under the mark NIC OUT were the same filters that petitioner arranged to have manufactured under the mark NIC-OUT), *aff'd* 112 F. Supp. 3d 383 (E.D. Va. 2015).

The notice of opposition does not include any such allegations. Rather, Opposer's factual allegations in support of its non-ownership claim are indistinguishable from Opposer's allegations in support of its likelihood of confusion claim. However, likelihood of confusion and non-ownership are distinctly different claims. *Conolty*, 111 USPQ2d at 1304 n. 4. Moreover, Opposer has not alleged that it, or anyone else other than Applicant, has used FUNDABLITY in connection with the **very** services Applicant has applied to register. *Compare Nahshin*, 107 USPQ2d at 1258 (allegations that the goods sold by defendant were the same goods plaintiff arranged to have manufactured under the same mark).

In view of the foregoing, Applicant's motion to dismiss Opposer's non-ownership claim is **granted**.

D. False Suggestion of a Connection

A claim of false suggestion of a connection under Section 2(a) of the Trademark Act embodies concepts of the rights to privacy and publicity and is a specifically different claim from a likelihood of confusion claim under Section 2(d) of the

Trademark Act. *Buffett v. Chi-Chi's, Inc.*, 226 USPQ 428, 429 (TTAB 1985); *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imports Co.*, 703 F.2d 1372, 217 USPQ 505, 508-509 (Fed. Cir. 1983). The purpose of the claim is to protect “the name of an individual or institution which [i]s not a technical ‘trademark’ or ‘trade name’ upon which an objection could be made under § 2(d).” *Univ. of Notre Dame du Lac*, 217 USPQ at 508.

A sufficiently pleaded claim of false suggestion of a connection must state:

- (1) applicant’s mark is the same as or a close approximation of the name or identity previously used by another person or institution;
- (2) applicant’s mark would be recognized as such, in that it points uniquely and unmistakably to that other person or institution;
- (3) that other person or institution is not connected with the goods or services that are sold or activities performed by applicant under its mark; and
- (4) the fame or reputation of the named person or institution is of such a nature that a connection with such person or institution would be presumed when applicant’s mark is used on applicant’s goods and/or services.

Petróleos Mexicanos v. Intermix SA, 97 USPQ2d 1403, 1405 (TTAB 2010) (citations omitted); *see also Piano Factory Grp., Inc. v. Schiedmayer Celesta GmbH*, 11 F.4th 1363, 1377 (Fed. Cir. 2021).

When considered in its entirety, the notice of opposition fails to sufficiently plead a false suggestion of a connection claim. Opposer merely recites the elements of the claim, without alleging any well-pleaded factual matter that FUNDABILITY is its name or identity, Applicant’s mark points uniquely and unmistakably to Opposer, or Opposer’s name or identity is of sufficient fame or reputation that a connection to Opposer would be presumed. Rather, the allegations in the notice of opposition are

typical for a likelihood of confusion claim under Section 2(d) of the Trademark Act, and not a false suggestion of a connection claim under Section 2(a) of the Trademark Act, which, as explained, is a specifically different claim.¹⁶

Based on the foregoing, Opposer has failed to plead a sufficient claim of false suggestion and Applicant's motion to dismiss the claim is **granted**.

E. Fraud

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

In determining the sufficiency of fraud allegations, Fed. R. Civ. P. 9(b) requires identification of the specific who, what, when, where, and how of the material misrepresentation or omission committed before the USPTO. *See Petroleos Mexicanos*, 97 USPQ2d at 1407 (elements of fraud must be pleaded with

¹⁶ To the extent Opposer is alleging unfair competition or false designation of origin under Section 43(a) of the Lanham Act, the Board does not entertain such claims. *Gen. Mills Inc. v. Fage Dairy Processing Indus. SA*, 100 USPQ2d 1584 (TTAB 2011); *Fiat Grp. Autos. S.p.A. v. ISM Inc.*, 94 USPQ2d 1111, 1116 n. 8 (TTAB 2010).

particularity); *Asian & W. Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478 (TTAB 2009) (same). While knowledge and intent, as conditions of the mind, may be alleged generally under Fed. R. Civ. P. 9(b), the pleading must “allege sufficient underlying facts from which [the Board] may reasonably infer that a party acted with the requisite state of mind.” *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 91 USPQ2d 1656, 1667 (Fed. Cir. 2009). There is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive. *Smith Int’l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1043 (TTAB 1981).

Opposer’s first three bases for its fraud claim rely on allegations regarding Applicant’s statements in its declarations submitted with its application or in support of its office action response.¹⁷ To sufficiently plead a claim of fraud based on Applicant’s statements in the signed declaration for the subject application, Opposer must allege facts that, if proven, would establish that (1) there was another use of the same or a confusingly similar mark at the time the declaration was signed; (2) the other user had legal rights superior to Applicant’s; (3) Applicant knew that the other user had rights in the mark superior to Applicant’s, and either believed that a likelihood of confusion would result from Applicant’s use of its mark or had no reasonable basis for believing otherwise; and that (4) Applicant, in failing to disclose these facts to the USPTO, intended to procure a registration to which it was not entitled. *see Daniel J. Quirk, Inc. v. Vill. Car Co.*, 120 USPQ2d 1146, 1149 (TTAB 2016)); *Qualcomm Inc.*, 93 USPQ2d at 1770; *Intellimedia Sports Inc. v. Intellimedia*

¹⁷ Notice of Opposition, ¶¶ 99-139 (1 TTABVUE 16-23).

Corp., 43 USPQ2d 1203, 1206 (TTAB 1997). “Superior rights in this context can be shown to be so by prior use, or by being clearly established e.g., but court decree or previous agreement of the parties.” *Daniel J. Quirk, Inc.*, 120 USPQ2d at 1150 n. 13 (citing *Intellimedia*, 43 USPQ2d at 1207).

Opposer’s first thought third bases for fraud are legally insufficient. There are, at a minimum, no factual allegations in the notice of opposition to sufficiently plead elements three or four. While Opposer relies on the parties’ alleged status as competitors and attendance at the same trade shows, and that “multiple companies” allegedly used the e-book which appeared in Applicant’s original specimen, there are no factual allegations that Applicant actually knew of Opposer’s alleged prior use of the FUNDABILITY mark or another’s use of the e-book. Nor are there allegations that Applicant knew Opposer, or any other entity, had superior rights and either believed that a likelihood of confusion would result or had no reasonable basis for believing otherwise.¹⁸ Because Opposer has not properly pleaded element three, it necessarily has failed to plead element four.¹⁹ *Intellimedia Sports*, 43 USPQ2d at 1208.

Additionally, Opposer’s second and third bases for fraud include allegations that “Applicant knew or should have known Applicant was not entitled to exclusive use of

¹⁸ Knowledge of another party’s use of a mark is not equivalent to knowledge of another party’s superior rights to the mark. See *Metro Traffic Control v. Shadow Network Inc.*, 41 USPQ2d 1369, 1373 (Fed. Cir. 1997); see also *Daniel J. Quirk, Inc.*, 120 USPQ2d at 1149.

¹⁹ Opposer also fails to clearly articulate the materiality of any allegedly false statement related to Applicant’s original specimen, which was not accepted. “Materiality’ of any false application statement is determined in the context of whether the false statement is critical to the Trademark Examining Attorney’s decision to approve a mark for publication.” *Hiraga v. Arena*, 90 USPQ2d 1102, 1107 (TTAB 2009) (citation omitted).

FUNDABILITY Mark.”²⁰ Allegations that Applicant “knew or should have known” it made false or misleading material representations of fact are an insufficient pleading of fraud because it implies mere negligence, which is not sufficient to infer fraud or dishonesty. *In re Bose*, 91 USPQ2d at 1940 (quoting *Symbol Techs., Inc. v. Opticon, Inc.*, 935 F.2d 1569, 1582 (Fed. Cir. 1991)).

Opposer’s final basis for fraud alleges, inter alia, that Applicant’s substitute specimen does not show trademark use in commerce and “Applicant knew or should have known” the substitute specimen failed to show such use.²¹ The alleged insufficiency of Applicant’s substitute specimen is an ex parte issue and not a proper basis for a claim of fraud. *See Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355, 1358 (TTAB 1989) (the insufficiency of the specimens, per se, does not constitute grounds for cancellation); *Century 21 Real Estate Corp. v. Century Life of Am.*, 10 USPQ2d 2034, 2035 (TTAB 1989) (“it is not the adequacy of the specimens, but the underlying question of service mark usage which would constitute a proper ground for opposition”); *see also Granny’s Submarine Sandwiches, Inc. v. Granny’s Kitchen, Inc.*, 199 USPQ 564, 567 (TTAB 1978). Additionally, alleging Applicant “knew or should have known” it made false or misleading material representations of fact are an insufficient pleading of fraud. *In re Bose*, 91 USPQ2d at 1940 (quotation omitted).

Based on the foregoing, Opposer has failed to plead a sufficient claim of fraud. Accordingly, Applicant’s motion to dismiss Opposer’s fraud claim is **granted**.

²⁰ Notice of Opposition, ¶¶ 122, 133 (1 TTABVUE 20, 22).

²¹ Notice of Opposition, ¶¶ 140-159 (1 TTABVUE 23-27).

II. Summary

Applicant's motion to dismiss is **granted in part**, and **denied in part**, as set forth herein.

Notwithstanding, it is the Board's practice when finding a pleading deficient, to grant leave to amend the pleading, if leave to replead would not be futile. *See Dragon Bleu (SARL) v. VENM, LLC*, 112 USPQ2d 1925, 1929 n.10 (TTAB 2014). Accordingly, the Board will grant Opposer leave until **February 8, 2023** by which to file and serve an amended notice of opposition that properly alleges, if Opposer has a reasonable basis for doing so, likelihood of confusion based on additional asserted rights,²² non-ownership, false suggestion of a connection, or fraud,²³ failing which this proceeding will go forward on Opposer's claims of likelihood of confusion based on common-law rights to FUNDABILITY.²⁴

²² If Opposer asserts additional prior rights in support of a likelihood of confusion claim, then Opposer should clearly articulate, inter alia, the mark being asserted as well as the appropriate goods or services.

²³ In considering whether to attempt to replead a fraud claim, Opposer should be aware that if it prevails on its likelihood of confusion claim, then a much more complicated and difficult to prove fraud claim based on asserted prior rights may be superfluous. *See Multisorb Techs., Inc. v. Pactiv Corp.*, 109 USPQ2d 1170, 1171 (TTAB 2013) (Board has "discretion to decide only those claims necessary to enter judgment and dispose of the case," as "the Board's determination of registrability does not require, in every instance, decision on every pleaded claim."). *See also* TBMP § 102.01. Opposer is advised that prevailing on a fraud claim is particularly difficult "because fraud must be proven to the hilt by clear and convincing evidence, leaving nothing to speculation, conjecture, or surmise; any doubt must be resolved against the party making the claim." *Asian & W. Classics*, 92 USPQ2d at 1480 (internal quotations omitted).

²⁴ A notice of opposition should consist of a short and plain statement of Opposer's entitlement to a cause of action and one or more grounds of opposition. Trademark Rule 2.104(a), 37 C.F.R. § 2.104(a); *see also* TBMP § 309.03. A plaintiff or defendant may attach exhibits to its pleading. However, with two exceptions, exhibits attached to a pleading are not evidence on behalf of the party to whose pleading they are attached unless they are thereafter, during the time for taking testimony, properly identified and introduced in evidence as exhibits. TBMP § 317; *see also* Trademark Rule 2.122(c), 37 C.F.R. § 2.122(c).

In turn, Applicant is allowed until **March 10, 2023** to file an answer to any amended notice of opposition filed pursuant to this order, or to the currently operative notice of opposition if Opposer does not file an amended notice of opposition.

Proceedings are **resumed** and dates reset as follows:

Amended Notice of Opposition Due	2/8/2023
Time to Answer	3/10/2023
Deadline for Discovery Conference	4/9/2023
Discovery Opens	4/9/2023
Initial Disclosures Due	5/9/2023
Expert Disclosures Due	9/6/2023
Discovery Closes	10/6/2023
Plaintiff's Pretrial Disclosures Due	11/20/2023
Plaintiff's 30-day Trial Period Ends	1/4/2024
Defendant's Pretrial Disclosures Due	1/19/2024
Defendant's 30-day Trial Period Ends	3/4/2024
Plaintiff's Rebuttal Disclosures Due	3/19/2024
Plaintiff's 15-day Rebuttal Period Ends	4/18/2024
Plaintiff's Opening Brief Due	6/17/2024
Defendant's Brief Due	7/17/2024
Plaintiff's Reply Brief Due	8/1/2024
Request for Oral Hearing (optional) Due	8/11/2024

IMPORTANT TRIAL AND BRIEFING INSTRUCTIONS

Generally, the Federal Rules of Evidence generally apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125. These include pretrial disclosures, the manner and timing of taking testimony, matters in evidence, and the procedures for

submitting and serving testimony and other evidence, including affidavits, declarations, deposition transcripts and stipulated evidence. Trial briefs shall be submitted in accordance with Trademark Rules 2.128(a) and (b). 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).