

THIS ORDER IS NOT A  
PRECEDENT OF THE  
TTAB

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

July 21, 2023

Opposition No. 91281414

*Niccolò Mascaro*

*v.*

*Treedefi Ltd*

**By the Trademark Trial and Appeal Board:**

This proceeding now comes before the Board for consideration of Applicant's motion (filed March 19, 2023) to dismiss Opposer's amended notice of opposition for failure to state a claim upon which relief can be granted under Fed. R. Civ. P. 12(b)(6).

17 TTABVUE.<sup>1</sup> The motion is contested.<sup>2</sup>

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<sup>1</sup> Citations to the record or briefs in this order include citations to the publicly available documents on the Trademark Trial and Appeal Board Inquiry System (TTABVUE), the Board's electronic docketing system. *See, e.g., New Era Cap Co., Inc. v. Pro Era, LLC*, 2020 USPQ2d 10596, at \*2 n.1 (TTAB 2020) (citing *Turdin v. Trilobite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014)). The Board expects that the parties will cite to the record using the TTABVUE docketing system throughout this proceeding.

<sup>2</sup> On April 7, 2023, the Board granted Opposer's consented motion to extend its time to respond to the motion to dismiss, allowing Opposer until April 22, 2023 to file and serve its response. 21 TTABVUE 1. April 22, 2023 fell on a Saturday and Opposer's response, filed on the next business day, April 24, 2023, is therefore considered timely. *See* Trademark Rule 2.196.

The Board has considered the parties' briefs on the contested motion, but does not repeat or discuss all of their arguments, except as necessary to explain the Board's order. *Guess? IP Holder LP v. Knowlux LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015).

## I. Background

Applicant seeks to register the standard character mark TREEDEFI on the Principal Register for the following goods and services:<sup>3</sup>

- “Computer software platforms, downloadable, for processing and managing blockchain operations; Downloadable computer application software for mobile phones, namely, software for processing and managing blockchain operations via a wallet app; Downloadable computer software for processing and managing blockchain operations; Downloadable computer software for blockchain-based inventory management; Downloadable computer software for managing cryptocurrency transactions using blockchain technology; Downloadable computer software development tools” in International Class 9; and
- “Authentication of data in the field of financial transaction using blockchain technology; Computer programming; Computer software development; Information technology consulting services; Providing temporary use of on-line non-downloadable software for accessing, reading, and tracking information in the field of financial transaction on a blockchain; Software design and development; Platform as a service (PAAS) featuring computer software platforms for managing financial transactions using blockchain; Software as a service (SAAS) services featuring software for managing financial transactions using blockchain” in International Class 42.

On October 26, 2022, Opposer filed a notice of opposition opposing registration of Applicant's involved mark on the following grounds: nonuse and lack of bona fide intent to use; non-ownership; and fraud.

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<sup>3</sup> Application Serial No. 90881203, filed August 13, 2021. Class 9 goods filed pursuant to Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b) and Class 42 services filed pursuant to Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a).

In lieu of filing an answer, Applicant filed a motion to dismiss for failure to state a claim upon which relief can be granted on December 6, 2022. After obtaining an extension of time, Opposer filed an amended notice of opposition as a matter of course on January 18, 2023. On March 19, 2023, Applicant filed a motion to dismiss the amended notice of opposition for failure to state a claim.

## **II. Applicant's Motion to Dismiss Opposer's Amended Notice of Opposition**

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, 663, 129 S. Ct. 1937, 1949 (2009), quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 5470, 127 S. Ct. 1955, 1974 (2007). A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw a reasonable inference that the defendant is liable for the misconduct alleged. See *Twombly*, 550 U.S. at 556-57. However, the plausibility standard does not require that a plaintiff set forth detailed factual allegations. *Id.* Rather, a plaintiff need only allege “enough factual matter ... to suggest that [a claim is plausible]” and “raise a right to relief above the speculative level.” *Totes-Isotoner Corp. v. U.S.*, 594 F.3d 1346, 1354 (Fed. Cir. 2010). Moreover, it is well established that whether a plaintiff can actually prove its allegations is not a matter to be determined upon motion to dismiss, but rather at final hearing or upon summary judgment, after the parties have had an opportunity to submit evidence. See *Libertyville Saddle Shop Inc. v. E. Jeffries &*

*Sons, Ltd.*, 22 USPQ2d 1594, 1597 (TTAB 1992) (“A motion to dismiss does not involve a determination of the merits of the case...”).

In deciding Applicant’s motion, the Board has given no consideration to the matters that are outside of the pleadings. *See, e.g., Compagnie Gervais Danone v. Precision Formulations LLC*, 89 USPQ2d 1251, 1255-56 (TTAB 2009); TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 503.04 (2023). Additionally, the Board has not considered arguments that go to the merits of the case and whether Opposer ultimately will be able to prove its allegations. *See, e.g., Advanced Cardiovascular Sys. Inc.*, 26 USPQ2d at 1041; *Covidien LLP v. Masimo Corp.*, 109 USPQ2d 1696, 1697 n.3 (TTAB 2017); *Scotch Whiskey Assos. v. U.S. Distilled Prods. Co.*, 18 USPQ2d 1391, 1393 (TTAB 1991).

**A. Entitlement to a Statutory Cause of Action<sup>4</sup>**

To plead entitlement to a statutory cause of action under Section 13 of the Trademark Act, a plaintiff must allege 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

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<sup>4</sup> Board decisions have previously analyzed the requirements of Sections 13 and 14 of the Trademark Act, 15 U.S.C. §§ 1063-64, under the rubric of “standing.” Applicant similarly moves to dismiss the notice of opposition for lack of “standing.” Despite the change in nomenclature, prior Board decisions and those of the Federal Circuit interpreting Sections 13 and 14 remain applicable. *See Corcamore, LLC v. SFM, LLC*, 978 F.3d 1298, 2020 USPQ2d 11277, at \*6-7 (Fed. Cir. 2020), *cert. denied*, 141 S. Ct. 2671 (2021); *Spanishtown Enters., Inc. v. Transcend Res., Inc.*, 2020 USPQ2d 11388, at \*2 (TTAB 2020).

1713, 1727 (Fed. Cir. 2012); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999).

The Board finds that Opposer has sufficiently pleaded its entitlement to a statutory cause of action by virtue of its allegation that Opposer has common law rights in the mark TREEDEFI and that Opposer is the proper owner of the involved mark. Amended notice of opposition ¶¶ 1-5, 27. See *UVeritech, Inc. v. Amax Lighting, Inc.*, 115 USPQ2d 1242, 1244 (TTAB 2015).

In its motion to dismiss, Applicant argues that Opposer does not have “standing,” because “the sole potential Opposer is Hashdev, Ltd. a corporation set up a week before the original Opposition.” 17 TTABVue 15-16. Applicant’s argument is “contrary to the specific provisions of Sections 13 and 14 of the [Trademark Act] which provide that ‘any person’ who believes that he is or would be damaged by the registration of a mark is a proper party to file an opposition or a petition to cancel.” *Sun Valley Company Inc. v. Sun Valley Mfg Co.*, 167 USPQ 304, 310 (TTAB 1970). Nor is it necessary for Opposer to plead an exclusive right to the involved mark in order to plead its entitlement to a statutory cause of action. See *Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 2020 USPQ2d 10837, at \*1 (Fed. Cir. 2020) (“An absence of proprietary rights does not in itself negate an interest in the proceeding or a reasonable belief of damage.”). “[T]he issue in a proceeding such as this is what rights petitioner has in its pleaded marks vis-à-vis the defendant, not what rights anyone else may have in it.” *Avia Grp. Int’l Inc. v. Faraut*, 25 USPQ2d 1625, 1627 (TTAB 1993).

Applicant also attaches numerous exhibits to its motion to dismiss in support of its argument that Opposer is not the owner of the mark and therefore cannot plausibly plead “standing.” A motion to dismiss is **solely** a test of the sufficiency of the pleadings and “does not involve a determination of the merits of the case....” *Libertyville Saddle Shop Inc.*, 22 USPQ2d at 1597. Where a motion styled as one to dismiss relies on matter outside the pleadings, the Board may construe the motion as one for summary judgment. *See id.* In order to move for summary judgment, however, a party must have served its initial disclosures prior to its motion for summary judgment. Trademark Rule 2.127(e). Applicant has not yet filed an answer and the motion to dismiss was filed prior to the deadline for serving initial disclosures and there is no indication in Applicant’s motion that it has already served its initial disclosures upon Opposer. Accordingly, to the extent the Board had considered Applicant’s motion to dismiss as one for summary judgment, the Board would have denied the motion, without prejudice, as premature.<sup>5</sup>

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

### **B. Lack of Bona Fide Intent, Nonuse, and Non-Ownership**

As stated above, Class 9 of the involved application was filed under Trademark Act Section 1(b), which applies to applications to register trademarks based on an

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<sup>5</sup> Respondent is advised that the Court of Appeals for the Federal Circuit is the primary reviewing court for the Board, and that the Board and the Federal Circuit have well-developed case law on the standards for pleading and motions to dismiss. While parties may cite to relevant cases from any jurisdiction, the Board relies primarily on its precedent and precedent from the Federal Circuit. *See Grand Canyon West Ranch LLC v. Hualapai Tribe*, 88 USPQ2d 1501, 1506 n.2 (TTAB 2006). The Board also notes that Respondent cites

applicant's assertion of a bona fide intent to use the mark in commerce. An application under Section 1(b) requires a verified statement that the applicant believes it is entitled to use the mark in commerce. *See* 15 U.S.C. § 1051(b)(3)(A). The Federal Circuit has found that lack of bona fide intent is a proper ground on which an opposer may challenge a trademark application. *M.Z. Berger & Co. v. Swatch AG*, 787 F.3d 1368, 1375, 114 USPQ2d 1892, 1897 (Fed. Cir. 2015). *See also American Forests v. Barbara Sanders*, 54 USPQ2d 1860, 1862 (TTAB 1999).

The services in Class 42, on the other hand, were filed under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a). “[I]f the [person] filing the application is not the owner of the mark as of the filing date, the application is void ab initio.” *Great Seats, Ltd. v. Great Seats, Inc.*, 84 USPQ2d 1235, 1239 (TTAB 2007). Similarly, an application filed under Section 1(a) of the Trademark Act is void ab initio where it is found that there was no use of the mark in commerce on the identified goods or services prior to the filing date of the application. *See Couture v. Playdom, Inc.*, 778 F.3d 1379, 113 USPQ2d 2042, 2043 (Fed. Cir. 2015) (“To apply for registration under Lanham Act § 1(a), a mark must be ‘used in commerce.’ 15 U.S.C. § 1051(a)(1). ... Use in commerce must be ‘as of the application filing date.’ 37 CFR § 2.34(a)(1)(i),” and “The registration of a mark that does not meet the use [in commerce] requirement is

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decisions from the Court of Federal Claims and from the Court of International Trade as ones issuing “in the Federal Circuit.” 17 TTABVue 8, 12. The Court of Federal Claims and the Court of International Trade and two different courts and neither is the United States Court of Appeals for the Federal Circuit.

void ab initio.”), *citing Aycock Engineering Inc. v. Airflite Inc.*, 560 F.3d 1350, 90 USPQ2d 1301, 1305 (Fed. Cir. 2009).

In the amended notice of opposition, Opposer alleges that Applicant lacked the requisite bona fide intent to use its involved mark on the services in Class 42 (amended notice of opposition ¶¶ 18, 26), that Applicant is not the owner of the involved mark in connection with the goods identified in Class 9 (amended notice of opposition ¶ 17), and that Applicant did not have use of its involved mark in commerce as of the filing date of the application in connection with the goods in Class 9 (amended notice of opposition ¶¶ 14, 25). Inasmuch as the services in Class 42 were filed under Section 1(a) of the Trademark Act, the appropriate claim is that Applicant did not have use in commerce in connection with the identified services as of the filing date and/or that Applicant is/was not the rightful owner of the mark. Conversely, because the goods in Class 9 were filed under Section 1(b) of the Trademark Act, there was no requirement that Applicant have use of its involved mark as of the filing date. Rather, the appropriate claim is that Applicant lacked a bona fide intent to use its involved mark in connection with the Class 9 goods as of the filing date.<sup>6</sup>

Opposer has therefore not set forth a valid ground for opposition of either the Class 9 goods or the Class 42 services. Accordingly, Applicant’s motion to dismiss is

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<sup>6</sup> In its response to the motion to dismiss, Opposer argues that Applicant did not have use of its involved mark in connection with the Class 42 services and lacked the requisite bona fide intent to use its mark in connection with the Class 9 goods. 22 TTABVue 14-15. It therefore appears that Opposer’s pleading may have inadvertently pleaded the wrong filing basis for each class.



**granted** with respect to the claims of nonuse, non-ownership, and lack of bona fide intent to use.

Notwithstanding the foregoing, it is the Board's policy to freely grant leave to amend pleadings found to be insufficient upon challenge under Fed. R. Civ. P. 12(b)(6). *See Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711, 1714 (TTAB 1993); *IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1955 (TTAB 2009). Opposer is therefore provided time, as set forth below, in which to amend its claims of nonuse, non-ownership, and lack of bona fide intent to use, if justified and appropriate.

### **C. Fraud**

To assert a viable claim of fraud, a party must allege with particularity, rather than by implied expression, that the defending party knowingly made a false, material representation in the procurement of, maintenance of, or renewal of a registration with the intent to deceive the USPTO. *See In re Bose Corp.*, 580 F.2d 1240, 91 USPQ2d 1938, 1942 (Fed. Cir. 2009). *See also Chutter, Inc. v. Great Management Group, LLC*, 2021 USPQ2d 1001, at \*13 (TTAB 2021) ("reckless disregard" satisfies the requisite intent for fraud claims), *appeal docketed*, No. 22-1212 (Fed. Cir. Dec. 2, 2021). A claim of fraud must set forth all elements of the claim with a heightened degree of particularity in compliance with Fed. R. Civ. P. 9(b). *See Asian and W. Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478-79 (TTAB 2009).

Further, fraud in procuring or maintaining a trademark registration occurs when an applicant for registration or a registrant in a declaration of use or a renewal

application knowingly makes specific false, material representations of fact in connection with an application to register or in a post-registration filing, with the intent of obtaining or maintaining a registration to which it is not entitled. Although “knowledge” and “intent” may be averred generally under Fed. R. Civ. P. 9(b), intent to deceive is a required element of a fraud claim which must be pleaded with sufficient particularity. See *Exergen Corp. v. Wal-Mart Stores Inc.*, 91 USPQ2d 1656, 1667 (Fed. Cir. 2009).

In support of its fraud claim, Opposer alleges that at the time Applicant filed its application, “Applicant knew and Applicant’s attorney knew or should have known that Applicant did not have the exclusive right to use TREEDEFI in commerce, that Opposer had the right to use the TREEDEFI mark, that Applicant was not the owner of the TREEDEFI mark, and that Applicant did not have a bona fide intent to use TREEDEFI in commerce with respect to the goods[sic] in Class 42.” Amended notice of opposition ¶ 19.

Opposer’s claim of fraud is premised on the same factual bases for its legally insufficient claims of nonuse, non-ownership, and lack of bona fide intent to use. The fraud claim therefore fails to state a claim for the same reasons discussed above. Moreover, the fraud claim fails to plead the requisite intent, and is based, in part, on an allegation that Applicant’s attorney “knew or should have known” that its representations were false. Pleadings of fraud that rest solely on allegations that the trademark applicant or registrant made material representations of fact in connection with its application or registration that it “knew or should have known”

to be false or misleading 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)).

In view of the foregoing, Applicant's motion to dismiss is **granted** with respect to the claim of fraud. Opposer is allowed time, as set forth below, to amend its claim of fraud, if justified and appropriate.

### **III. Repleading and Schedule**

Opposer is allowed until **August 20, 2023** to file and serve a second amended notice of opposition that properly pleads a valid ground for opposition, failing which, the notice of opposition will be dismissed with prejudice in its entirety.

In turn, Respondent is allowed until **September 9, 2023** to file and serve an answer or otherwise response to the second amended notice of opposition, if any.

Proceedings are resumed. Dates are reset as follows:

Time to Answer	<b>9/9/2023</b>
Deadline for Discovery Conference	<b>10/9/2023</b>
Discovery Opens	<b>10/9/2023</b>
Initial Disclosures Due	<b>11/8/2023</b>
Expert Disclosures Due	<b>3/7/2024</b>
Discovery Closes	<b>4/6/2024</b>
Plaintiff's Pretrial Disclosures Due	<b>5/21/2024</b>
Plaintiff's 30-day Trial Period Ends	<b>7/5/2024</b>
Defendant's Pretrial Disclosures Due	<b>7/20/2024</b>
Defendant's 30-day Trial Period Ends	<b>9/3/2024</b>
Plaintiff's Rebuttal Disclosures Due	<b>9/18/2024</b>
Plaintiff's 15-day Rebuttal Period Ends	<b>10/18/2024</b>
Plaintiff's Opening Brief Due	<b>12/17/2024</b>
Defendant's Brief Due	<b>1/16/2025</b>
Plaintiff's Reply Brief Due	<b>1/31/2025</b>
Request for Oral Hearing (optional) Due	<b>2/10/2025</b>

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. 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.

### **IMPORTANT TRIAL AND BRIEFING INSTRUCTIONS**

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).

### **TIPS FOR FILING EVIDENCE, TESTIMONY, OR LARGE DOCUMENTS**

The Board requires each submission to meet the following criteria before it will be considered: 1) pages must be legible and easily read on a computer screen; 2) page orientation should be determined by its ease of viewing relevant text or evidence, for example, there should be no sideways or upside-down pages; 3) pages must appear in their proper order; 4) depositions and exhibits must be clearly labeled and numbered – use separator pages between exhibits and clearly label each exhibit using sequential letters or numbers; and 5) the entire submission should be text-searchable.

Additionally, submissions must be compliant with Trademark Rules 2.119 and 2.126. Submissions failing to meet all of the criteria above may require re-filing. **Note:** Parties are strongly encouraged to check the entire document before filing.<sup>7</sup> The Board will not extend or reset proceeding schedule dates or other deadlines to allow time to re-file documents. For more tips and helpful filing information, please visit the [ESTTA help](#) webpage.

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<sup>7</sup> To facilitate accuracy, ESTTA provides previews of each page before submitting.