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

Proceeding no.	91284034
Party	Plaintiff Run 2 Rescue
Correspondence address	JOHN KAPPOS Oâ##MELVENY & MYERS LLP 2501 N HARWOOD STREET DALLAS, TX 75201 UNITED STATES Primary email: ipcalendardept@omm.com Secondary email(s): jkappos@omm.com, spink@omm.com, alevad@omm.com, tmcounsel@omm.com, kalvarado@omm.com 972-360-1947
Submission	Motion to Dismiss - Rule 12(b)
Filer's name	JOHN KAPPOS
Filer's email	ipcalendardept@omm.com, jkappos@omm.com, tmcounsel@omm.com, kalvarado@omm.com
Signature	/JOHN KAPPOS/
Date	09/18/2023
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

RUN 2 RESCUE CORP.,)	Response No. 91284034
)	
v.		
Opposer,)	Application Serial No. 97/117,562
)	
A21 USA, INC.,)	Filing Date: Nov. 10, 2021
)	
Applicant.)	Mark: REACH RESCUE RESTORE
)	
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A21 USA, INC.,)	Cancellation No. _____
)	
Counterclaim-Petitioner,)	Registration No. 6,586,520
)	
v.		
)	Filing Date: Oct. 22, 2020
)	
RUN 2 RESCUE CORP.,)	Mark: REACH RESCUE RESTORE
)	
Counterclaim-Respondent.)	
)	
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**OPPOSER AND COUNTERCLAIM-RESPONDENT RUN 2 RESCUE’S REPLY IN
SUPPORT OF ITS MOTION TO DISMISS APPLICANT AND COUNTERCLAIM-
PETITIONER’S COUNTERCLAIMS**

Opposer and Counterclaim-Respondent Run 2 Rescue Corporation (“**Run 2 Rescue**”), through its counsel, respectfully submits this Reply in support of its Motion to Dismiss Applicant and Counterclaim-Petitioner A21 USA, Inc.’s (“**Applicant’s**”) Counterclaims, 9 TTABVUE (“**Counterclaims**” or “**Countercl.**”) and in reply to Applicant’s Response to Run 2 Rescue’s Motion to Dismiss, 13 TTABVUE (“**Response**” or “**Res.**”). In support, Applicant states as follows:

I. INTRODUCTION

Applicant appears to present two themes in its Response. First, Applicant suggests that

Run 2 Rescue’s citations to “factual evidence” (*i.e.*, the exhibits to the Counterclaims) in support of its dismissal arguments renders those arguments akin to a “premature motion for summary judgment.” Res. at 11. This assertion is incorrect, as Federal and Trademark law dictate otherwise. *See e.g., In re Bill of Lading*, 681 F.3d 1323, 103 USPQ2d 1045, 1055 (Fed. Cir. 2012) (the “court [is] required to analyze the facts plead in the [] complaints **and all documents attached thereto** with reference to the elements of a cause of action . . . to determine whether [the] claims . . . were in fact plausible”) (emphasis added). Second, while Applicant appears to concede that the Board may grant Run 2 Rescue’s Motion to Dismiss Applicant’s Counterclaims, 11 TTABVUE (“**Motion**” or “**Mot.**”), Applicant takes the position that the Board must also grant Applicant leave to amend its Counterclaims. *See e.g.*, Res. at 6 (“the important fact the Opposer neglected to share with the Board was that the non-moving party was given leave to amend their pleadings); at 12 (“[t]he Board is generally liberal in granting leave to amend a pleading”); and at 13 (“Applicant requests it be given leave to amend its Counterclaim, especially since the Counterclaim is its first such pleading . . .”). Run 2 Rescue agrees the Board should grant its motion, but leave to amend is neither required nor warranted here because leave to amend would be futile.

In its Response, Applicant fails to meaningfully rebut Run 2 Rescue’s dismissal arguments. Instead of directing the Board to relevant case law indicating that its claims were plausibly alleged or in response to Run 2 Rescue’s Motion, Applicant urges the Board to disregard the cases cited by Run 2 Rescue on the assumption that those cases “can all be distinguished.” Res. at 4. Applicant puts a microscope to the text of the cases to argue miniscule differences in the factual circumstances of the cases cited in the Motion and the factual circumstances at play here. But those differences are often meaningless and do not change the

fundamental application of the law. *See e.g.*, Res. at 4 (“that case was decided on a motion for summary judgment and not on a motion to dismiss[,] [f]or that reason, the holding is not relevant to the Motion”). Applicant at times relies on the same cases it attempts to distinguish. *See* Res. at 7-8 (relying on and later attempting to distinguish *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478 (TTAB Oct. 22, 2009)). In the end, Applicant concedes that at least “a handful” of the cases supporting the Motion were “actually decided on a motion to dismiss” but offers no countervailing law to support denial of this Motion. Res. at 12.

For the reasons more fully set forth below and in Run 2 Rescue’s Motion, Applicant’s Counterclaim pleadings are incurable, and should be dismissed with prejudice.

II. ARGUMENT

A. Applicant Failed to Properly Plead That the REACH RESCUE RESTORE Mark Does Not Function as a Trademark (Count I) or is Merely Descriptive (Count II).

As explained in Run 2 Rescue’s Motion, the allegations in Applicant’s Counterclaim Counts I and II are conclusory, internally inconsistent, and contradicted by Applicant’s own Counterclaim exhibits and USPTO filings. Accordingly, these counterclaims fail to plausibly allege that REACH RESCUE RESTORE does not function as a trademark or is merely descriptive. Mot. at 6-14. Instead of addressing Run 2 Rescue’s arguments, Applicant criticizes Run to Rescue’s “cit[ation] [to] factual evidence” by arguing that (1) “[a] motion to dismiss is neither [the] proper vehicle nor the right time to put forth [such] evidence” and (2) Run to Rescue’s use of such evidence is an improper attempt to “argue the merit[s] of [this] case.” Applicant further dismisses Run 2 Rescue’s cited cases as irrelevant. Res. at 3-6. All of Applicant’s arguments are meritless.

First, Run 2 Rescue’s reliance on factual evidence—the exhibits attached to Applicant’s Counterclaims and “Applicant’s own application and signed declaration”—is entirely

appropriate. As the Board in *Caymus Vineyards* explained, at the motion to dismiss stage, the Board may properly consider “the exhibits attached to applicant’s [] answer and counterclaim for the purpose of ascertaining the plausibility of applicant’s allegations.” *Caymus Vineyards*, No. 91204667, at 4 (TTAB 2013) (citing Fed R. Civ. P. 10(c), Trademark Rule 2.116(a), and *In re Bill of Lading*, 681 F.3d 1323, 103 USPQ2d 1045, 1055 (Fed. Cir. 2012)). Similarly, “[t]he Board may also consider certain objective, verifiable facts available from Office records under a motion to dismiss.” *Nike, Inc. v. Palm Beach Crossfit Inc.*, 116 USPQ2d 1025 (TTAB 2015). In citing statements made in Applicant’s USPTO filings (which were attached to Applicant’s pleadings, were statements made under oath to the USPTO, and were non-hearsay statements of the opposing party, *see* FRE 801(d)(2), Run 2 Rescue relies solely on the existence of those statements—a verifiable fact—and their striking inconsistency with statements Applicant makes in its pleadings. *See, e.g.*, Mot at 8-9. As the existence of these statements is an “objective verifiable fact,” this evidence is appropriately before the Board at the motion to dismiss stage. *Nike*, 116 USPQ2d 1025.

Second, contrary to Applicant’s assertion, in relying on this factual evidence, Run 2 Rescue was not arguing the merits of Applicant’s Counterclaims, but rather demonstrating the implausibility of those Counterclaims on their face. *See, e.g., Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). Such use is entirely appropriate at the motion to dismiss stage, where it is well-established that Applicant’s allegations need not be accepted as true if they are internally inconsistent or run counter to facts properly before the Board. *See, e.g., Secured Mail Sols. LLC v. Universal Wilde, Inc.*, 873 F.3d 905, 913 (Fed. Cir. 2017) (explaining that, in ruling on a motion to dismiss, “a court need not ‘accept as true allegations that contradict matters properly subject to judicial notice or by exhibit’”); *Grant v. Cnty. of Erie*, 542 F. App’x 21, 23 (2d Cir.

2013) (recognizing as “an exception to the rule that a court must accept all factual assertions as true,” a claim based on “wholly conclusory and inconsistent allegations”). As Run 2 Rescue explained in its Motion, Applicant cannot plausibly allege that REACH RESCUE RESTORE fails to function as a trademark or is merely descriptive where Applicant elsewhere alleges that certain others use the phrase REACH RESCUE RESTORE as a “trademark” (Countercl. ¶ 56) and states in its own USPTO filings, under oath, that the identical mark *is a trademark*. Mot. at 10, 12.

Third, in urging the Board to reject Run 2 Rescue’s cited cases as irrelevant, Applicant does not argue that the facts of those cases are distinguishable from those alleged in Applicant’s Counterclaims here. Instead, for those cited cases decided on a motion to dismiss, Applicant merely notes that the Board subsequently granted leave to amend. *See, e.g.*, Res. at 4 (“For example, in the *Vespa* case, Opposer misrepresents the finding of that decision, as the Board granted leave to the non-moving party to amend the pleadings.”); and at 6 (“Of the two [cases] that were decided based on a motion to dismiss, namely, the *Vespa* and the *Gay Pro* case, the important fact the Opposer neglected to share with the Board was that the non-moving party was given leave to amend their pleadings.”).

The Board’s decision in those cases to grant leave to amend allegations it has already found inadequately pled in no way undermines Run 2 Rescue’s Motion to Dismiss arguments. Nor does it support the adequacy of Applicant’s Counterclaim allegations here. For Run 2 Rescue’s cited cases that were decided at a different procedural juncture, Applicant argues that this distinction alone renders the holdings of those cases irrelevant. *See, e.g.*, Res. at 4 (arguing that the holding of a case “decided on a motion for summary judgment and not on a motion to dismiss ... is not relevant to the Motion”); 5-6 (arguing that because certain of Run 2 Rescue’s

cited cases “were decided upon motion for summary judgment or upon the merits of the case or as appeals during prosecution, [this] makes their holdings irrelevant at this stage of the proceedings”). But Run 2 Rescue relies on those cases for general legal principles applicable to whether a mark fails to function as a trademark or is merely descriptive, not for the legal standard on a motion to dismiss. Those legal principles plainly do not vary with the procedural posture of the case.

B. Applicant Does Not Sufficiently Plead Its Fraud Claim (Count III).

Applicant’s Counterclaims fail to properly plead a claim for fraud on the USPTO and should be dismissed. Instead of directing the Board to specific factual allegations that state a plausible fraud claim, Applicant instead offers only conclusory and inconsistent statements. These statements do not support a properly pleaded fraud claim.

First, Applicant acknowledges its burden to set forth its fraud claim with particularity, but then inconsistently argues that it may plead facts “upon information and belief” without more. Res. at 7. This is simply incorrect. As Applicant concedes, any allegations based on “information and belief” must be accompanied by a statement of facts “upon which petitioner relies or the belief upon which the allegation is founded.” Res. at 7. No such statement of facts are present in Applicant’s Counterclaims, and Applicant fails to direct the Board to any such statements in its Response. As just one example, Applicant alleges in its Counterclaim: “Upon information and belief, Opposer has yet to use the REACH RESCUE RESTORE mark in connection with any of the registered services, much less all of the registered services in interstate commerce in the United States.” Countercl. ¶ 78 (emphasis in original). Absent from Applicant’s pleadings, however, are any allegations supporting the “belief” upon which these allegations are founded. Applicant does not plead that it undertook an investigation, *see Mckatzer Lowenbrau Benedikt Weib KG v. White Gold, LLC*, 95 USPQ2d 1185 (TTAB 2010), or

otherwise took steps necessary to justify its beliefs. Thus, Applicant’s “conclusory statement . . . is not supported by a pleading of any facts which reflect [Applicant’s] belief” that Run 2 Rescue has not used the REACH RESCUE RESTORE mark in connection with its registered services. *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203 (TTAB 1997).

Unable to overcome this error, Applicant instead directs the court to the entirety of its fraud allegations to support its argument that it “properly provided the specific facts or the belief upon which the allegations are founded.” Res. at 7-8 (citing Countercl. ¶¶70-86). For the reasons explained above, and more thoroughly in Run 2 Rescue’s Motion, these allegations fail to state a plausible claim for fraud. Mot. at 16-17.

Second, Applicant’s efforts to distinguish the cases Run 2 Rescue cites in the Motion are ineffective. Run 2 Rescue’s cases support the proposition that Applicant has failed to meet the heightened pleading standard for fraud. For *Philanthropist.com, Inc v. The Gen. Conference Corp. of Seventh-day Adventist* and *May Flower Int’l, Inc. v. Shandong Shinho Food Industries Co., Ltd.*, Applicant appears to concede that the TTAB in those cases ordered dismissal of fraud claims with pleading inadequacies similar to the circumstances here. No. 9206517, 2017 WL 3726500 (TTAB 2017); Nos. 91252185 and 91252441, 2022 WL 1015542 (TTAB 2022.). The only difference is that these cases allowed the plaintiffs leave to amend. Res. at 8. Applicant also argues, in conclusory fashion, that Run 2 Rescue’s reliance on *Nsm Res. Corp. & Huck Doll LLC*, 113 USPQ2d 1029 (TTAB 2014), is misplaced because the “facts are wholly inapposite.” Res. 7. But the petitioner in *Nsm* and Applicant here have both improperly alleged fraud claims “based on information and belief” and without the requisite factual allegations to support such belief. 113 USPQ2d 1029 at 6.

Finally, Run 2 Rescue relied on *Marshall Field & Co v. Mrs. Fields Cookies* and *Granny's Submarine Sandwiches, Inc. v. Granny's Kitchen, Inc.* for the proposition that “the law is settled that the insufficiency of the specimens, *per se*, does not constitute grounds for canceling a registration.” 11 USPQ2d 1355 (TTAB 1989); 199 USPQ 564 (TTAB 1978); Mot. at 16, 18. Applicant argues this reliance is “misplaced” because “that case involve[d] a 2F declaration.” Res. at 8-9. But minor factual distinctions, like the type of supporting declaration, do not alter the conclusion that insufficiency of specimens alone does not constitute grounds for canceling a registration. *Id.* And Applicant fails to address the exact same proposition supported in the Motion by *May Flower Int'l, Inc.*, 2022 WL 1015542, at *5 (TTAB Mar. 30, 2022) (granting dismissal and holding “[t]he adequacy of the specimens alone does not constitute grounds for opposing or cancelling a mark”). Mot. at 15-16.

C. Applicant Does Not Sufficiently Plead Its “Use in Commerce” Claim (Count IV).

Applicant’s Count IV is a repackaged version of Applicant’s fraud claim. Like its fraud claim, Applicant pleads its alleged facts “upon information and belief.” Countercl. ¶¶ 89-90. As explained above, such allegations without any additional factual support, do not meet the heightened pleading standard for a fraud claim. *See Asian and Western Classics*, 92 USPQ2d 1478 at 1479. Because the allegations in Count IV fail to meet this heightened standard, Applicant’s second bite at its fraud claim cannot succeed.

However, if the Board determines Applicant’s non-use claim exists independently from its fraud claim, Count IV is still insufficiently plead. To properly plead a non-use claim under 15 U.S.C. § 1051(a), Applicant must at minimum put Run 2 Rescue on “fair notice of the claims against” it. *Aktieselskabet AF 21. November 2001 v. Fame Jeans Inc.*, 86 USPQ2d 1527 (D.C. Cir. 2008). Applicant pleads nearly identical allegations in Count IV and Count III. *Cf.*

Countercl. ¶ 89 (Count IV) (“Opposer had not made such actual use in commerce in connection with any much less all of the services . . .”) with ¶ 78 (Count III) (“Opposer has yet to use the [mark] in connection with any of the registered services, much less all of the registered services . . .”). Cf. Countercl. ¶ 90 (Count IV) (“Opposer’s . . . use was not supported by the specimens submitted with the ‘215 Application.”) with ¶ 75 (Count III) (“the substitute specimen does not show use of [the mark] for any of Opposer’s Services”). As plead, Applicant’s claims in Counts III and IV are indistinguishable. Count IV should therefore be dismissed for failure to provide adequate notice of the specific claims asserted against Run 2 Rescue.

Finally, Applicant incorrectly suggests that reliance on any case cited by Run 2 Rescue with a procedural posture other than a motion to dismiss is “misplaced.” Res. at 11. Such an assertion is not only incorrect, but also inconsistent with Applicant’s own Response, which relies heavily on cases outside of the dismissal posture. *See e.g.*, Res. at 6 (citing *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009)).

III. CONCLUSION

Applicant’s Counterclaims are deficient. The claims contain internal inconsistencies and are not pled with the requisite specificity. The Board should grant Run 2 Rescue’s Motion to dismiss each of Applicant’s four Counterclaims. Because amendment would be futile, the Board should dismiss the Counterclaims with prejudice.

Date: September 18, 2023

Respectfully submitted,

O'MELVENY & MYERS LLP

/John Kappos/

John Kappos
2501 N Harwood Street
Dallas, Texas 75201
Telephone: 972-360-1947
Email: jkappos@omm.com

Scott W. Pink
2765 Sand Hill Road
Menlo Park, California 94025
Telephone: 650-473-2629
Email: spink@omm.com

Attorneys for Run 2 Rescue Corp.

CERTIFICATE OF SERVICE

I, Kristin Alvarado, hereby certify that a true and correct copy of the foregoing Reply in support of Motion to Dismiss Counterclaims has been served on counsel for A21 USA, Inc. on September 18, 2023 via email and FedEx to:

A21 USA, Inc.
Stacey C. Kalamaras, Esq.
Kalamaras Law Office, LLC
4740 N. Cumberland Ave. #309
Chicago, IL 60656
Email: TMDocket@klolegal.com

/Kristin Alvarado/
Kristin Alvarado