

ESTTA Tracking number: **ESTTA172321**

Filing date: **11/01/2007**

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

Proceeding	92045971
Party	Defendant Mastronardi Produce Ltd.
Correspondence Address	John C. Filosa Baker & McKenzie LLP 130 East Randolph DriveOne Prudential Plaza Chicago, IL 60601 UNITED STATES john.c.filosa@bakernet.com, m.tally.george@bakernet.com
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	John C. Filosa
Filer's e-mail	john.c.filosa@bakernet.com,m.tally.george@bakernet.com,tammy.l.sheehan@bakernet.com
Signature	/John C. Filosa/
Date	11/01/2007
Attachments	motion to dismiss.pdf ( 11 pages )(439893 bytes )

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

In the Matter of  
Registration No.: 3037538  
Trademark: CAMPARI

\_\_\_\_\_  
WESTGRO SALES, INC. )

Petitioner, )

v. )

MASTRONARDI PRODUCE LTD. )

Respondent. )  
\_\_\_\_\_ )

Cancellation No. 92045971

**RESPONDENT'S MOTION TO DISMISS FIRST AMENDED PETITION  
FOR CANCELLATION AND SUPPORTING MEMORANDUM OF LAW**

**I. INTRODUCTION**

On October 16, 2007, Westgro Sales, Inc. ("Petitioner") filed a First Amended Petition to Cancel Registration Number 3037538 owned by Mastronardi Produce Ltd. ("Respondent"). The amended petition is based solely on fraud on the Trademark Office, cures none of the defects in the original petition, and further demonstrates that Petitioner has no grounds to cancel the registration. Respondent moves to dismiss the amended petition for 1. failure to plausibly and adequately allege fraud on the basis that Respondent's mark is generic; and 2. failure to plausibly and adequately allege fraud on the basis that Respondent's claimed date of first use is false or that Respondent falsely claimed it knew of no prior users of the mark.

**II. BACKGROUND**

On October 15, 2003, Respondent filed an application under Section 1(a) of the Trademark Act to register the mark CAMPARI in standard character form for "Fresh tomatoes"

in International Class 31. Respondent's application claimed a first use date and a first use in commerce date of November 1995. Respondent's application was examined from 2004 to 2005 and approved for publication on August 19, 2005. On January 3, 2006, Respondent was granted a registration for the CAMPARI mark for "Fresh tomatoes" in Class 31. In its amended petition to cancel, Petitioner has pleaded no registration or pending application for the mark for CAMPARI. Petitioner is seeking to cancel the registration only on the basis of fraud on the Trademark Office.

### **III. ARGUMENT**

#### **A. Petitioner's Fraud Claims Do Not Meet Federal Pleadings Standards, Are Implausible And Should Be Dismissed.**

The amended petition to cancel should be dismissed because Petitioner fails to adequately allege grounds for cancellation based on fraud. A pleading must allege facts that, if proved, establish that Petitioner has standing and valid grounds exist for canceling the registration. Fed. R. Civ. P. 12(b)(6); TBMP § 503.02. Moreover, Rule 9(b) requires that "in all averments of fraud or mistake, the circumstances constituting fraud or mistake shall be stated with particularity." Fed. R. Civ. P. 9(b). Rule 9(b) particularity requires "the who, what, when, where and how: the first paragraph of any newspaper story." *DiLeo v. Ernst & Young*, 901 F.2d 624, 627 (7<sup>th</sup> Cir. 1990).

To adequately state a claim that Respondent's application oath was executed fraudulently, Petitioner must allege particular facts that, if proven, would establish:

- 1) there was in fact another use of the same or a confusingly similar mark at the time the oath 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 the mark or had no reasonable basis for believing otherwise; and that
- 4) applicant, in failing to disclose

these facts to the Patent and Trademark Office, intended to procure a registration to which it was not entitled.

*Intellimedia Sports, Inc. v. Intellimedia Corp.*, 43 USPQ 2d 1203, 1206 (TTAB 1997).

“When pleading fraud, a party cannot simply make conclusory allegations.” *Roberts v. Francis*, 128 F.3d 647, 651 (8<sup>th</sup> Cir. 1997). Fraud in the procuring of a trademark must be alleged with specificity in administrative proceedings in the PTO. *San Juan Prods., Inc. v. San Juan Pools of Kansas, Inc.*, 849 F.2d 468, 472 (10<sup>th</sup> Cir. 1988). Allegations of fraud on the Trademark Office require more than labels and conclusions on the part of the petitioner. *Smith Int’l Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981) (fraud requires more than speculation, inference or surmise). The party pleading fraud on the PTO must “specify the statements that [it] contends were fraudulent” and “explain why the statements were fraudulent.” *Shields v. Citytrust Bancorp, Inc.*, 25 F.3d 1124, 1128 (2d Cir. 1994). Fraud “pleadings must contain explicit rather than implied expression of the circumstances constituting fraud.” *King Automotive, Inc. v. Muffler King, Inc.*, 667 F.2d 1008, 1010 (C.C.P.A. 1981).

The Supreme Court recently addressed and clarified pleading requirements under the Federal Rules: it is not enough that a plaintiff allege a mere possibility of a valid cause of action in the complaint; a plaintiff must allege a claim that is plausible. *Bell Atlantic Corp. v. Twombly*, 127 S. Ct. 1955, 1974 (2007) (at the complaint stage, a plaintiff must allege enough facts to state a claim to relief that is plausible on its face). Although the *Twombly* case arose in the context of dismissal of a class action antitrust complaint, the courts have applied the Supreme Court's holding in a variety of trademark cases. *See, e.g., Dell, Inc. v. This Old Store*, 2007 U.S. Dist. Lexis 47818 (S.D. Tex. 2007) (dismissing complaint premised on statements of information and belief and incorporation by reference); *Aktieselskabet AF 21 V. Fame Jeans, Inc.* 2007 U.S. Dist. Lexis 41270 (D.D.C. 2007) (dismissing complaint for failure to allege a legally sufficient basis

to overturn TTAB's adverse priority finding); *Hana Financial, Inc. v. Hana Bank*, 500 F. Supp. 2d 1228 (C.D. Cal. 2007) (dismissing counterclaim alleging fraud on PTO by knowing submission of a false oath, for counterclaimant's failure to allege fraud with specificity under Rule 9(b) and failure to meet the legal standard enunciated in *Intellimedia Sports*).

Petitioner attempts to allege that Respondent committed fraud in two ways. Petitioner first alleges that Respondent committed fraud on the trademark office because prior to the date of application, Respondent should have known that the mark was a varietal name and therefore was generic. (Amended Petition to Cancel ¶¶ 1, 4, 7). Second, Petitioner alleges that Respondent falsely represented its date of first use and that Respondent should have known that other parties—including Petitioner—had prior rights to use the mark in the U.S. (Amended Petition to Cancel ¶¶ 8-12, 15-16, 18). Because Petitioner alleges only conclusions and not facts and its fraud claims are implausible and unexplained, the amended petition should be dismissed for failure to comply with Rules 9(b) and 12(b)(6).

**B. Petitioner Has Not Adequately Alleged That The Mark Is Generic Or That Respondent Knew The Mark Is Generic.**

In conclusory fashion, Petitioner alleges that CAMPARI is a varietal name for tomatoes and that Respondent knew this at the time of filing its trademark application in 2003 or by 2005 when the mark was approved for registration.<sup>1</sup> (Amended Petition to Cancel ¶¶ 1-4). Petitioner further alleges that Respondent's filing oath and a later assertion to the PTO were therefore knowingly false. *Id.* These conclusory allegations are not supported by any facts demonstrating that Respondent believed that the mark is generic. *Shields v. Citytrust Bancorp, Inc.*, 25 F.3d 1124, 1128 (2d Cir. 1994) (party claiming fraud on PTO must explain why the statements were

---

<sup>1</sup> A name for plant products, if used as a varietal or cultivar name by the grower, or submitted for protection in connection with a plant patent, a utility patent, or a certificate for plant variety protection and not otherwise treated as a trademark, can be deemed generic and incapable of trademark registration. *See* TMEP 1202.12. The possible varietal nature of a term is to be considered by the USPTO Examiner in the examination process. *Id.*

fraudulent); *Smith Int'l Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981) (fraud requires more than speculation, inference or surmise). To allege fraud, Respondent's belief regarding the rights in question is essential. *Intellimedia Sports, Inc.*, 43 USPQ 2d 1203, 1207 (TTAB 1997) (dismissing fraud claim for failure to allege sufficient facts showing that the registrant believed it had no exclusive right to the mark).

Petitioner's allegations that Respondent knew that the CAMPARI mark was generic in 2003 or 2004 are insufficient. Petitioner alleges no facts to show the mark is known to be generic, or how, why, or when Respondent knew that the mark was generic at the time of filing or prosecuting its application. Petitioner has alleged no facts to show that Respondent knew or should have known that the mark could not function as a trademark. During prosecution of the application, the Examiner found no evidence of genericism.<sup>2</sup> Petitioner has not alleged any facts to show that anyone besides it believes or has determined that the mark is generic.

Nor has Petitioner alleged any actions by any party that would have informed Respondent that the term was incapable of functioning as a mark. To the contrary, Petitioner alleges that numerous parties had claimed rights to the term, and that Respondent was obligated to use CAMPARI as a brand name. (Amended Petition to Cancel ¶¶ 7, 8, 9, 10, 18). Petitioner further alleges that as a result of certain agreements it does not attach nor describe in any detail, that Petitioner or others hold some superior right in the CAMPARI trademark. (Amended Petition to Cancel ¶¶ 9, 10, 12, 15, 18). These allegations are in no way compatible with the claim that Respondent knew that the mark was generic.

The trademark cases decided after *Twombly* demonstrate that Petitioner has not adequately alleged fraud based on genericism. In *Aktieselskabet AF 21 v. Fame Jeans, Inc.*,

---

<sup>2</sup> According to TMEP § 1201.02, the Examiner was obligated to research information of the type available in the Plant Variety Protection Act databases at [www.ars-grin.gov/npgs/searchgrin.html](http://www.ars-grin.gov/npgs/searchgrin.html).

2007 U.S. Dist. Lexis 41270, the district court, relying on *Twombly*, granted defendant's motion to dismiss for plaintiff's failure to state a claim where conclusory allegations of superior rights were unsupported by facts. 2007 U.S. Dist. Lexis at \*7. "[A] plaintiff's obligation to provide the grounds of his entitlement to relief requires more than a formulaic recitation of the elements of a cause of action." *Aktieselskabet AF 21* at \*47. In *Hana Financial*, the district court dismissed counterclaimant's fraud claim based on speculative allegations of earlier first use in commerce. *Hana Financial*, 500 F. Supp. 2d at 1233, citing *Bell Atlantic Corp. v. Twombly*, 127 S. Ct. 1955, 1965. In this case, there are no simply facts alleged by Petitioner concerning Respondent's belief in the mark's genericism. Petitioner's formulaic recitation of the elements of fraud without any facts to show the mark is generic or that Respondent's knew the mark is generic requires dismissal. *Twombly*, at 1965 ("...[F]ormulaic recitation of a cause of action's elements will not do").

Because Petitioner has alleged no facts to show that the CAMPARI mark is generic or that Respondent knew the mark is generic, its fraud claim is inadequately pleaded and implausible. It should be dismissed.

**C. Petitioner Has Not Adequately Alleged Fraud Based On False Date Of First Use Or Prior Rights To The Mark.**

**1. Petitioner has no claim for fraud based on Respondent's first use date.**

Petitioner alleges in conclusory fashion that Respondent committed fraud on the Trademark Office by misrepresenting its date of first use or failing to recognize that others, including perhaps Petitioner itself, had prior rights in the mark. The allegations do not provide a plausible claim of earlier use in the U.S. that would prevent Respondent's registration of the mark. Initially, Petitioner appears to confuse Respondent's 1995 first use date and its 2003 application filing date, by alleging that "[Respondent's] first use of the CAMPARI mark in the

United States is junior to others by at least four years.” (Amended Petition to Cancel at ¶ 8.)  
Petitioner then alleges that Petitioner’s customers used the mark “since at least 1997.”  
(Amended Petition at ¶ 10). Yet Respondent’s application did not rely on constructive use in  
2003, but on actual use in 1995. Nowhere in the Amended Petition does Petitioner allege that  
any party used the mark earlier than 1995 in the U.S., for fresh tomatoes. Use by Petitioner’s  
unidentified customers in 1997 or later (in unspecified locations) is not use prior to Respondent’s  
first use date in the U.S.

Next, Respondent’s recitation of the 1995 first use date eight years before its 2003 filing  
date is not fraudulent. It is only improper for an actual use applicant to state a first use date that  
is after the filing date. TMEP 903.02 (“In a §1(a) application, the applicant may not specify a  
date of use that is later than the filing date of the application.”) Furthermore, any alleged  
misrepresentation by Respondent was not material to the Examiner’s decision to allow  
registration. If Respondent’s date of first use were found to be incorrect, that would not  
constitute fraud, as long as the date of use was prior to the application date. *See e.g., Georgia-  
Southern Oil, Inc. v. Harvey Richardson*, 16 USPQ2d 1723, 1726-27 (TTAB 1990) (as long as  
trademark use occurred prior to filing of application, date of first use alleged in application even  
if false, cannot constitute fraud on the Trademark Office); *McCarthy on Trademarks . . . Unfair  
Competition*, § 31:74 (4<sup>th</sup> Ed. 2007) (“The Trademark Board has consistently held for some years  
that a misstatement of the date of first use in a use-based application is not fraudulent as long as  
there has been some valid use of the mark prior to the filing date.”).

**2. Petitioner has not adequately alleged fraud based on prior use by it or  
third parties.**

Petitioner’s remaining fraud claim also fails to rise to the level of particularity required  
by Rule 9(b). Petitioner does not allege any facts to support Petitioner’s claim that as of October



15, 2003 or later Respondent believed that other parties had exclusive rights in the mark that superseded Respondent's own claim of rights for use of CAMPARI in the U.S. for fresh tomatoes. Moreover, Petitioner has provided no facts to support any claim of its own use in the U.S. or of a superior right verifiably believed to be owned by Petitioner, for fresh tomatoes in the U.S. "Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application." *Torres v. Cantine Torresella S.r.l.*, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986). *Intellimedia Sports, Inc.*, 43 USPQ2d at 1207 ("[I]f the other person's rights in the mark, vis-à-vis the applicant's rights are not known by applicant to be superior or clearly established . . . then the applicant has a reasonable basis for believing that no one else has the right to use the mark in commerce, and that applicant's averment of that reasonable belief in its application declaration or oath is not fraudulent"); *Yocum v. Covington*, 216 USPQ 211 (TTAB 1982) (applicant possessing at least color of title to the mark had reasonable basis for believing that it had the exclusive right to use the mark, and is not guilty of fraud in executing application oath to that effect).

By these standards, Petitioner's allegations of fraud fail. Petitioner's allegations are merely conclusory and are remarkable for their lack of factual detail. Petitioner's failure to provide facts to identify specifically who used the mark in the U.S., how they used it, when they used it, or how Respondent knew of such use requires dismissal. *Iowa Health Sys. v. Trinity Health Corp.*, 177 F. Supp. 2d 897, 917 (N.D. Iowa 2001) (dismissing fraud on PTO claim under 9(b) for failure to identify third party user). Petitioner also does not explain how it—at best a seller of seeds in Canada without a United States trademark registration and that is not entitled to any presumption of validity or the benefit of prior use by associated parties in the U.S.—has any interest in the trademark whatsoever. Nor has Petitioner alleged any facts to show how or why it has rights to the mark if all of these other parties were using the mark beginning a decade ago.

Moreover, Petitioner's allegations of prior sales by Petitioner's unidentified customers, do not address what Respondent knew or believed. To constitute fraud on the Patent and Trademark Office, the application statement must be (1) false; (2) a material representation; and (3) made knowingly. *Torres*, 1 USPQ2d 1483, 1484. Petitioner's allegations do not meet the *Torres* standard. Further, alleged third party use occurring before Petitioner's filing date by parties known to Petitioner does not mean that Respondent falsely claimed a belief of its own rights in the mark. For Petitioner to establish that Respondent's application oath was executed fraudulently, Petitioner must allege particular facts showing there was in fact use of another confusingly similar mark, that the user had rights superior to Respondent's, Respondent knew the rights were superior, and in failing to disclose those rights, procured a registration to which it was not entitled. *Intellimedia Sports, Inc.*, 43 USPQ 2d at 1206.

The third element of the *Intellimedia Sports* standard is critical, namely whether "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." *Hana Financial*, 500 F. Supp. 2d at 1237. Failure to support the element that Respondent willfully deceived the PTO by failing to disclose another party's rights in the mark in an effort to obtain a registration to which it knew it was not entitled with specific facts requires dismissal of Petitioner's amended petition. *Hana Financial, Id.* at 1237; *Iowa Health Sys.*, 177 F. Supp. 2d at 917.

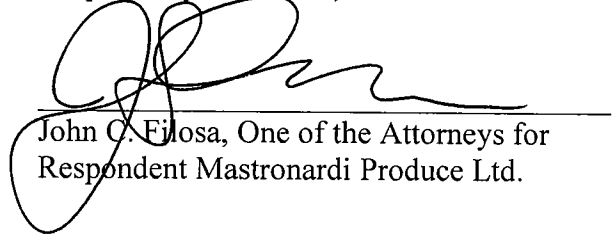
#### **IV. CONCLUSION**

For the foregoing reasons, Registrant respectfully requests that the Board dismiss Petitioner's First Amended Petition to Cancel and enter judgment in Respondent's favor, pursuant to Federal Rules of Civil Procedure 9(b) and 12(b)(6). Because Petitioner has already

of the opportunity to amend its petition, Petitioner's cancellation claim should be dismissed with prejudice.

Respectfully submitted,

Dated: November 1, 2007



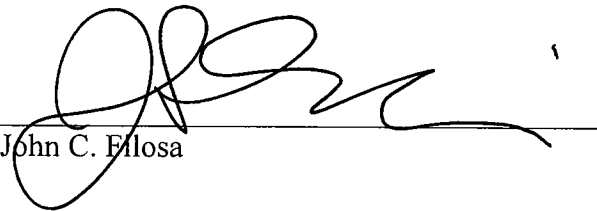
John C. Filosa, One of the Attorneys for  
Respondent Mastronardi Produce Ltd.

BAKER & MCKENZIE LLP  
John C. Filosa  
M. Tally George  
130 East Randolph Drive  
Chicago, Illinois 60601  
Ph. (312) 861-8000  
Fax: (312) 698-2153  
[john.c.filosa@bakernet.com](mailto:john.c.filosa@bakernet.com)  
[m.tally.george@bakernet.com](mailto:m.tally.george@bakernet.com)

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this first day of November 2007, a true and complete copy of the foregoing **RESPONDENT'S MOTION TO DISMISS FIRST AMENDED PETITION FOR CANCELLATION AND SUPPORTING MEMORANDUM OF LAW** was electronically filed with the TTAB via ESTTA and served on Petitioner via ESTTA and U.S. mail as follows:

John A. Hughes  
Marc M. Gorelnik  
Townsend & Townsend & Crew LLP  
Two Embarcadero Center, 8<sup>th</sup> Floor  
San Francisco, CA 94111

  
\_\_\_\_\_  
John C. Filosa

CHIDMS1/2567318.5