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

Proceeding	92050260
Party	Plaintiff Wok n' Roll Express, Inc.
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In the Matter of Registration No. 1358531  
Date of Issue: 09/03/1985

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Wok n' Roll, Express, Inc.	:	
Petitioner,	:	
v.	:	Cancellation No. 92050260
STW Acquisition Corp.	:	
Respondent.	:	

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Commissioner for Trademarks  
P.O. Box 1451  
Alexandria, VA 22313-1451

**PETITIONER'S RESPONSE TO RESPONDENT'S MOTION TO DISMISS AND,  
IN THE ALTERNATIVE FOR JUDGMENT ON THE PLEADINGS**

Petitioner Wok n' Roll Express, Inc. ("Petitioner") responds to Respondent STW Acquisition Corp.'s ("Respondent") Motion to Dismiss and to its Motion for Judgment on the Pleadings, each of which will be addressed separately as follows:

**I. Introduction**

On November 29, 2008, Petitioner filed its Cancellation for Registration (the "Cancellation") to cancel Reg. No. 1,358,531, WOK & ROLL, relying on 15 U.S.C. 1064(3). Petitioner had standing to file the Cancellation as it has a direct interest in its outcome due to the refusal to register its mark "Wok n' Roll Express and design", Ser. No. 77236212. The Cancellation was filed after Petitioner notified Respondent in September 2008 that as Registrant, Respondent had renewed its registration in 2005 years after it had been administratively dissolved by the New York Department of State for failure to pay its annual tax. Since Respondent had taken no steps to correct this, and had Petitioner not notified Respondent, of this legal shortcoming, it is possible that Respondent would not have been made aware that it had been administratively dissolved,

thereby continuing to operate for many years as an administratively dissolved entity. Even if Respondent or its counsel somehow determined that it was not an active corporation, and reactivated it at some point in the future, Respondent would have been conducting business as an inactive, administratively dissolved corporation for more than 6 years. Barring that, it is a fact that between June 26, 2002 and December 1, 2008, Respondent was an inactive corporation. And, it is undisputed that it was within that time frame that Respondent renewed its registration for No. 1,358,531.

Between September 2008 and late November of 2008, Petitioner and Respondent's counsel spoke a few times, and exchanged letters. Through and up to the date of filing the Cancellation, Petitioner checked with the New York Department of State's website to determine if Respondent had yet reinstated the corporation. According to the information on that website, accurate to date, thus far, Respondent remained listed as "inactive." (Cancellation, ¶8). With this information in hand, Petitioner filed the Cancellation. In fact, Respondent attached to its responsive pleading, Exhibit 1, the certificate from the New York Department of State that confirms Respondent filed a certificate to revive the status of its inactive corporation on December 1, 2008, after Petitioner filed and served the Petition in question. Respondent has now appealed to this tribunal to adopt its unsupported theory that New York law controls, and to find that by filing papers to reinstate the corporation, that this alone is sufficient to show that it has complied with federal trademark law.

After receiving one extension for time to respond, Respondent filed an Answer to the Petition for Cancellation (the "Answer"); and a Motion to Dismiss and in the alternative, a Motion for Judgment on the Pleadings. In its Answer, Respondent does not,

nor can it deny the factual basis for the Cancellation, that being, Respondent's inactive status when it completed the Sections 8 and 9 renewal affidavits and then filed its renewal. In fact, Respondent admits allegation Nos. 1,2,3 and the first sentence of 4, all of which collectively speak to that issue. As no fact questions exist with regard to the actions Respondent took at the time it renewed the registration in May 2005; nor are there fact questions as to the content of the filing submitted by the Respondent, the Motion to Dismiss should be denied. Respondent takes the position that regardless of what was signed, and when it was signed, it has reinstated its active corporate status, thereby cleansing itself of everything that transpired before that act occurred. Petitioner takes exception to this simplified approach. First, Petitioner will address the Motion to Dismiss, then, respond to the Motion for Judgment on the Pleadings; both of which rely on the same after-the-fact actions taken by Respondent.

## **II. Argument**

### **A. The Cancellation States A Claim For Which Relief Can Be Granted**

For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of the plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to the plaintiff. *See Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ 2d 1023, 1027 (Fed. Cir. 1999).

Fraud in procuring or maintaining a trademark registration occurs when an applicant for registration or a registrant in a declaration of use or renewal application knowingly makes false, material representations of fact in connection with an application to register or post registration document. *See Torres v. Cantine Torresella S.r.l.*, 808 F. 2d 46, 1 USPQ2d 1483 (Fed. Cir. 1986); *Standard Knitting, Ltd. v. Toyota Jidosha*

*Kabushiki Kaisha*, 77 USPQ2d 1917 (TTAB 2006); *Medinol*, 67 USPQ2d at 1208.

It is undisputed that On May 4, 2005, Ben T. Wong, as President of Respondent, STW Acquisition Corp., signed a Combined Declaration of Use in Commerce and Application for Renewal of Registration of Mark Under Sections 8 and 9 of the Trademark Act of 1946. (Answer, ¶1). It is also undisputed that STW Acquisition Corp. is the last assigned trademark owner and the Registrant for Reg. No. 1,358,831. (Answer, ¶2). Further, and of pertinent significance to this proceeding, it is undisputed that in the Combined Declaration of Use in Commerce and Application for Renewal of Registration of Mark Under Sections 8 and 9 of the Trademark Act of 1946, among other statements, Mr. Wong made the following statement:

“The undersigned further declares that he is properly authorized to execute this document on behalf of the owner; that the owner is using the mark in commerce on or in connection with the goods and/or services identified above, and that the facts set forth herein are true...” (Answer, ¶3).

What has not yet been determined is whether Respondent and/or Mr. Wong knew whether Respondent had been administratively dissolved at that time; something that will be learned through discovery.

At the time Mr. Wong made the statements in the declaration, and putting aside Respondent’s after-Cancellation filing in New York, the statements made were not true. Respondent had been transacting business without a valid active status for almost three years when it submitted its renewal in May 2005. The basis for filing the Cancellation under the Lanham Act, 15 U.S.C. § 1064(3) was the false statements made in the Section 8 and 9 renewal filing. At the time made, those statements were false. Making false or

misleading statements in a declaration provides grounds to bring a cancellation action, and states a claim for which relief can be granted. The only issue to be decided is a legal issue. Has Respondent been able to turn back the clock not only in New York, based on its December 1, 2008 filing to revive its administratively dissolved corporation; but, also under the Lanham Act. Moreover, must the Lanham Act, a federal statute recognize an after-the-fact state sanctioned action Respondent has now taken, to annul any wrongdoing for an act Respondent admits it completed more than three and one half years before the revival filing took place. Petitioner contends that Respondent's filing submitted to the Trademark Office in May 2005, and, any consequences that flow from that action cannot be avoided by filing a revival statement three and one half years later to conform to a state statute.

**1. New York Law Does Not Trump The Lanham Act.**

Respondent's Motion makes the unsupported claim that New York law is the controlling law. (Motion, p. 2). Provided, that is true, which Petitioner proposes is undecided at this early stage of the proceeding, Respondent suggests that "by virtue of its reinstatement, Respondent has all the corporate powers and rights as it had on the date of the proclamation of dissolution as if that proclamation had never been made, and actions taken by the reinstated corporation prior to the reinstatement are retroactively valid." *Id.* Once reaching this unsupported conclusion, Respondent concludes that "under the controlling law, the previous, now nullified proclamation of dissolution did not in any way make Respondent's Renewal Application false, fraudulent or improper." *Id.* This self-serving construct begs the question. That question appears to be, if in 2005 an administratively dissolved corporation could not renew its trademark as it did; would the

statements made in the declaration to renew have been false or improper? Notwithstanding a piece of paper filed three and one-half years later in a state agency, that would seemingly ratify transactions that occurred during the period in which the corporation was ineligible to enter into those transactions; Petitioner takes the position that the revival does not have the ability to turn back the clock in the Trademark Office. The revival does not have the power to proclaim that whatever was done, regardless of the consequences, and whether or not you provided a declaration, it is as if those acts were done under a different set of facts; ie., that you were really an active corporation. It is undisputed, that, in 2005 Respondent was not. Given the question of which law applies, the federal statute (Lanham Act), or the New York reinstatement law; a question that Respondent has not briefed, except by its unsupported conclusory statements, that New York law is controlling, Petitioner argues the Cancellation, based in fact and supported by law should be sustained.

In its Motion, Respondent cites to Cancellation allegations Pars. 5(1), 5(2) and 7 (Motion, pp. 3-4) to demonstrate that those allegation dealing with corporate status are “incorrect and meritless as a matter of law.” (Motion, p. 4). But for Respondent’s after Petition-filing of its reinstatement papers, all allegations were correct, and stated a basis in law for filing the Cancellation. Will New York law control? Petitioner contends, under the facts of this case, it will not.

Conceding for argument purposes that under New York law *nunc pro tunc* applies to all corporate actions as Respondent aptly proposes, the only case it cited *L-Tec Electronic Corp. v. Cougar Electronic Organization, Inc.*, 198 F 3d 85, 87 (2d. Cir. 1999) (“*L-Tec*”) does not support its argument under this set of facts. First, *L-Tec* presents a

much different fact pattern, as does the cases on which it relies. Specifically, in *L-Tec*, the court was asked to decide whether individuals would be held liable apart from the dissolved corporation, for acts that took place during the time of administrative dissolution. The lower court decided and the appellate court affirmed that they could not. Second, Petitioner has not made an issue about individual liability. Third, in *L-Tec*, the transaction at issue was the sale of and refusal to pay for goods. No trademark issue was being questioned. No declaration had been signed. The cases on which the court relied also dealt with individual liability and commercial transactions. Nothing discussed was statutory. Nothing analyzed or compared dealt with federal law; New York common law was the only issue. Fourth, in its decision, the court noted that a company lacking corporate status is a defacto corporation. Yet, in the same paragraph, it stated that there were “some Appellate Division cases that hold that a corporation dissolved for failure to pay taxes has no de facto existence. See *De George v. Yusko*, 564 N.Y.S. 2d 597, 598 (3d Dep't 1991); *Lorisa Capital Corp. v. Gallo*, 506 N.Y.S. 2d 62, 71 (2d Dep't 1986).” *Id.* The issue in this case is not whether Respondent was recognized or could have been recognized as de facto; however, the point here is that even at the New York appellate level, there is a difference of opinion. Finally, *L-Tec's* own language renders it inapplicable, since, it appears to limit the retroactive nature of *nunc pro tunc* to “any contracts in which it may have entered into.” *Id.* Respondent has made no argument to analogize a declaration to renew a trademark to a contract, and would have failed had it tried. Further, the Trademark Office is not analogous to a transacting partner, one being a government agency; the other a commercial business that enters into an agreement for consideration. Instead, *L-Tec* lends support to Petitioner's argument. Respondent's

reliance on *L-Tec* is therefore misplaced; contract ratification is not the same as nor can it be analogized to trademark renewal ratification.

Respondent relies on law that brings a corporation back into existence, as it is had not lost its active status. That new existence begins on the day the proclamation of dissolution is annulled. The new existence does not begin on the day the proclamation was issued. This is an important distinction. The contracts entered into while the corporation was dissolved are retroactively ratified. The cases stop there. Making a declaration to renew a trademark while the corporation is inactive is not the same as entering into a contract. Ratification of such an act expands the law to include extra-contractual conduct. The cases Respondent cited do not support this expansion.

Respondent cites no New York case whose facts include ratification of corporate acts while administratively dissolved for action that requires a declaration, or some form of oath. Neither does Respondent cite to any New York case related to trademark matters. Additionally, nothing in Respondent's argument related to New York law supports its contention that New York law is controlling. Finally, nothing cited in its reference to New York law addresses the facts at hand. Section I of its Motion to Dismiss has no merit.

## **2. Petitioner's Claim Is Not Flawed, Nor Destined to Fail**

Respondent attempts to argue that Petitioner's claim for cancellation must be dismissed, as it "is fatally flawed in its legal premises and destined to fail..." (Motion, p. 5). Respondent bases that conclusion on one decision, *Hayhurst v. American Association of Naturopathic Physicians*, 2001 TTAB LEXIS 730 at \*5 (TTAB 2001) ("Hayhurst"). A close reading of *Hayhurst* points out many important distinctions, not to mention that the

Board found that Petitioner did not have standing. First, that case was decided at the summary judgment level, and it did not involve a Section 9 renewal. Second, Petitioner here has not argued, nor has it alleged that Respondent's actions were "null and void" as the petitioner in that case argued. Instead, the basis for Petitioner's claim is the filing of a false statement. Third, *Hayhurst* was decided under Oregon law. There, the administrative dissolution took place on March 26, 1998. The reinstatement took place less than one year later, on February 27, 1999, and the filing of Section 8 and 15 affidavits occurred on January 15, 1999. These facts greatly differ from the facts in the Cancellation in which a corporation administratively dissolved on June 26, 2002, filed trademark renewal documents on May 23, 2005, and did not take action to reinstate until December 1, 2008, almost six and one half years after its administrative dissolution and more than three and one half years after its flawed renewal filing. That action, finally taken, was not of its own volition, but prompted by Petitioner notifying Respondent what has occurred. The facts in *Hayhurst* do not state which party caused the reinstatement. In *Hayhurst*, the reinstatement occurred within **43 days** of the trademark filing. There was a sense of diligence in righting a wrong in *Hayhurst* that is not present in the Cancellation's fact pattern. (As an aside, it was noted that the Oregon Revised Statute in question, (ORS 65.61) permitted an administratively dissolved corporation to reapply for reinstatement up to five years from the date of its dissolution). Had a similar statute applied to Respondent, it would not even have had the ability to reinstate. Notwithstanding the differences between the two fact patterns, the Trademark Trial and Appeal Board (the "Board") found the Oregon statute to be plain on its face. It did not analyze whether there was a difference between entering into a contract, or filing a declaration, in which the

declarant states that false statements and the like could jeopardize the declaration and the registration. Petitioner insists that based on *L-Tec* and Respondent's failure to cite any applicable decisions, the Board must reach further in its analysis. The instant case presents a different and more involved fact pattern than in *Hayhurst*, and should not be summarily dispensed by analogy to or reliance on that one decision.

Other decisions are helpful. In *Coldwater Seafood Corp. v. Magnusson*, 188 U.S.P.Q. 522,524 1975 WL 20862 (T.T.A.B. 1975) part of the reason for the cancellation was the statement made that the mark "is in use in interstate commerce on each of the following goods recited in the registration." The Federal Circuit has unequivocally held that fraud in obtaining a §9 renewal of a registration does amount to fraud in obtaining a registration within the meaning of §14(3) and is thus a basis for cancellation. See, McCarthy on Trademarks and Unfair Competition J. Thomas McCarthy, 4th Edition, Volume 6, §31:80. Equally compelling is *Polo Fashions, Inc. v. Extra Special Products, Inc., et al*, 208 U.S.P.Q. 421, 427 (S.D. N.Y. 1980) in which the court stated "merely maintaining a registration through the filing of false and fraudulent documents constitutes fraudulently "obtaining" or "procurement" within the meaning of various sections of the Trademark Act. *Le Cordon Bleu, S.A. v. BPC Publishing Ltd.*, 451 F. Supp. 63, 202 USPQ 147 (S.D. N.Y. 1978); *Crown Wallcovering Corp. v. Wallpaper Manufacturers Ltd.*, 188 USPQ 141, 143 (T.T.A.B. 1975); *Volkswagenwerk A.G. v. Advanced Welding & Mfg. Corp.*, 184 U.S.P.Q. 367 (T.T.A.B. 1974); *Conwood Corp. v. Loew's Theatres, Inc.* 173 USPQ 829 (T.T.A.B. 1972)."

Contrary to Respondent's contention that Petitioner's claim must be dismissed as a matter of law, Petitioner points out that at the time it filed its Cancellation, Respondent

had not yet taken the remedial action. Moreover, that action, Petitioner contends was too little, too late. Even under New York law, its applicability can be questioned. Respondent has provided no support for its conclusory premise that New York law controls. Petitioner's facts underlying its reason for filing the Cancellation have not changed, nor can New York law change them. Petitioner had grounds to file its Cancellation. Petitioner argues, those grounds remain. Respondent's Motion to Dismiss should be denied.

**B. Respondent Has Not Established It Is Entitled To Judgment**

Petitioner adopts all applicable arguments from Section A above, in its response to Section B. Respondent, uncertain that its Motion to Dismiss will succeed, has filed an alternative pleading to convince the Board that the Cancellation has no merit. In its Motion for Judgment on the Pleadings, Respondent repeats the arguments made previously. Relying again on *L-Tec*, which reliance, as previously shown was misplaced, Respondent seeks judgment on the merits. "A motion for judgment on the pleadings pursuant to Federal Rule 12(c) is subject to the same standard as a motion to dismiss under Federal Rule of Civil Procedure 12(b). *Gatx Leasing Corp. v. National Union Fire Ins. Co.*, 64 F.3d 1112, 1114 (7th Cir. 1995). In ruling on a motion to dismiss for failure to state a claim under which relief can be granted under Federal Rule 12(b), the court must accept as true all well-pleaded factual allegations and draw reasonable inferences in favor of the non-moving party." *Sprint Spectrum L.P. v. City of Carmel, Ind.*, 361 F.3d 998, 1001 (7th Cir. 2004). A motion for judgment on the pleadings under Federal Rule 12(c) may only be granted if the moving party establishes that no material issue of fact remains to be resolved and that they are entitled to judgment as a matter of law. *National*

*Fidelity Life Ins. Co. v. Karaganis*, 811 F.2d 357, 358 (7th Cir. 1987). “A party may not obtain a judgment on the pleadings if the nonmoving party's pleading raises issues of fact, which, if proved, would establish the nonmoving party's entitlement to judgment.”  
*Baroid Drilling Fluids Inc. v. Sun Drilling Products*, 24 USPQ 2d 1048 (TTAB 1992 ).

If the basis for the Cancellation can be proved, based on the facts alleged, Respondent's motion should be denied. Petitioner argues it can. Respondent also suggests the Board should take judicial notice of the December 1, 2008 reinstatement filing in New York. To support its theory, Respondent cites to *Reiner v. Washington Plate Glass Co., Inc.*, 711 F 2d 414 (D.C. Cir. 1983) (“Reiner”) and *United States v. Wood*, 925 F. 2d 1580, 1582 (7<sup>th</sup> Cir. 1991) for the proposition that a district court may take judicial notice of matters of public record. At the time Petitioner filed the Cancellation, the only public record showed that Respondent was **inactive**. (Cancellation ¶4.) Respondent now seeks to introduce a document that did not exist when the Cancellation was filed. In both *Reiner* and *United States v. Wood*, judicial notice was taken of documents that existed before the action was filed. In *Reiner*, the court took judicial notice of the fact that Washington Plate Glass, Co., Inc. had been incorporated before 1953, lost its corporate status, then under a new corporation law, was granted a new charter. The new charter was granted in 1976. The case was filed in the early 1980's after the company declared bankruptcy. In *United States v. Wood*, Wood filed bankruptcy. The basis for the lawsuit was the government's contention that a certain loan was not dischargeable in Wood's bankruptcy. When that lawsuit was filed, the bankruptcy had occurred and had been discharged. Both cited cases represent the court taking judicial notice of documents that were public, and were able to be obtained well before the case was filed.

In this case, at the time the Cancellation was filed, the reinstatement had not been filed. Whether the filing of the reinstatement saves Respondent is a legal question, but certain facts will have to be adduced before the question can be adjudicated. No document was available that stated Respondent was active. Everything alleged was correct. Petitioner had a valid reason to file the Petition. Respondent's after the fact filing should not prevent this matter from proceeding, nor should this Board be required to take judicial notice of a document that did not exist at the time. Petitioner raises issues as to whether the post-Cancellation filing had the effect Respondent argues it did. Whether the Board can take judicial notice of a public document filed after the Cancellation was filed is at a minimum, questionable. Without that judicial notice, there are issues of fact. Additionally, as Petitioner has shown, there are issues of law that *Hayhurst* has not settled, and New York law has not addressed. The Motion for Judgment on the Pleadings is both premature, and could be viewed as a motion for summary judgment, given the additional documents. As such, Respondent has not met the requirements for a summary judgment motion, and, on that basis, it should also be denied.

### **III. Conclusion**

There was a basis in law and fact for filing the Cancellation. In its Motion to Dismiss Respondent has not made a convincing argument that its after Cancellation filing changes anything. The one case it cites specifically ratifies contracts. A trademark renewal is not a contract. In its alternative Motion for Judgment on the Pleadings, Respondent has not demonstrated it is entitled to judgment. One case, highly distinguishable, is insufficient to provide the grounds to award that judgment. Respondent's motions should be denied.

Wherefore, Petitioner requests that Respondent's Motion to Dismiss and, in the alternative For Judgment On The Pleadings be denied and for all other and further relief the Board deems appropriate under the circumstances.

Respectfully submitted:

Wok n' Roll Express, Inc.

Dated: March 27, 2009

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true copy of the attached PETITIONER'S RESPONSE TO RESPONDENT'S MOTION TO DISMISS AND, IN THE ALTERNATIVE FOR JUDGMENT ON THE PLEADINGS was served by first class mail, postage prepaid, on the 27<sup>th</sup> day of March 2009 on counsel of record for the Respondent at the following address:

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