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

Proceeding	92050260
Party	Defendant STW ACQUISITION CORP.
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Date	04/14/2009
Attachments	Respondent's_Reply_In_Support_Of_Motion_To_Dismiss.pdf (5 pages) (201615 bytes)

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

In the Matter of Registration No. 1,358,531
For the mark: WOK & ROLL
Registered: September 3, 1985

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

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

**RESPONDENT'S REPLY IN SUPPORT OF MOTION TO DISMISS
AND, IN THE ALTERNATIVE, FOR JUDGMENT ON THE PLEADINGS**

Respondent STW Acquisition Corp. ("Respondent") submits this reply in support of its motion (the "Motion") to dismiss the petition for cancellation ("Cancellation Petition") filed by Wok n' Roll Express, Inc. ("Petitioner") for failure to state a claim upon which relief can be granted and, in the alternative, for a judgment on the pleadings dismissing the Cancellation Petition.

In its response to the Motion (the "Response"), Petitioner concedes the following:

- (1) Petitioner's sole ground for cancellation is its allegation of fraud that is based solely on an annulable New York State proclamation of corporate dissolution that was outstanding at the time that Respondent executed and filed its 2005 Renewal Application (Response at 3-4);
- (2) There are no factual questions at issue here (Response at 3); and

(3) The only issue for the pending motion is a legal issue (Response at 5).

Petitioner's concessions clearly establish that the Cancellation Petition is fatally flawed in its legal premises and destined to fail because, as a matter of law, Petitioner has failed to allege a false statement of any material fact.

The existence of an annulable proclamation of corporate dissolution is not pertinent to the Lanham Act's requirements for a declaration of use under Section 8 and/or an application for renewal under Section 9. Moreover, it has been held that the existence of such an annulable proclamation does not impact upon the statutory requirements that do exist for a declaration of use, such as the requirement of use of the mark in commerce. See Hayhurst v. American Association of Naturopathic Physicians, 2001 TTAB LEXIS 730 at *5 (TTAB 2001) (rejecting claim that the existence of an annulable state proclamation of corporate dissolution invalidated the registrant's use of its mark in commerce) (a copy of the Hayhurst decision is attached to Respondent's Motion as Exhibit 3). In addition, the prevailing rule of law of New York's state courts is that a corporation that has been dissolved for failure to pay state franchise taxes continues to exist as a de facto corporation. L-Tec Electronic Corp. v. Cougar Electronic Organization, Inc., 198 F.3d 85, 87 (2d Cir. 1999).

Accordingly, the sole basis for Petitioner's allegation of fraud does not concern any fact which would have been material to the Post-Registration approval of the 2005 Renewal Application. This failure to allege any false statement regarding a material fact, an essential element of a fraud claim, requires dismissal of the Petition for Cancellation. See American Flange & Manufacturing Co. v. Rieke Corp., 80 USPQ2d 1397, 1415 (TTAB 2006); Pennwalt Corp v. Sentry Chemical Co. 219 USPQ 542, 552 (TTAB 1983) ("An essential element of fraud associated with the obtaining of a registration is that the allegedly false statement concerned a

fact which would have been material to the Examiner's determination whether the application should be approved for publication.").

Moreover, contrary to Petitioner's assertions (Response at 8), New York State has reinstated Respondent to active status and has annulled the previous proclamation of administrative dissolution as if it never occurred. Section 203-(a)(7) of the New York Tax Law provides that the reinstatement of Respondent means that the Respondent has its "corporate powers, rights, duties and obligations as it had on the date of the publication of the proclamation, with the same force and effect as if such proclamation had not been made or published." (emphasis supplied). Also contrary to Petitioner's assertions (Response at 7), this reinstatement of all corporate rights and powers necessarily includes Respondent's right to use its trademarks, to register those marks, and to maintain its registrations. The statute is not limited to the right of a corporation to enter into contracts, which was the particular corporate right and power involved in L-Tec Electronic Corp. v. Cougar Electronic Organization, Inc., 198 F.3d 85, 87 (2d Cir. 1999).¹

Therefore, as in the case of the subsequently reinstated corporate registrant in Hayhurst, 2001 TTAB LEXIS 730 at *7, Respondent's execution and filing of the 2005 Renewal Application was an activity appropriately undertaken by Respondent. As a matter of law, the 2005 Renewal Application was not in any way rendered false, fraudulent or invalid by the subsequently annulled proclamation of dissolution.

¹ Petitioner provides an incomplete description of the Second Circuit's discussion in L-Tec of other case decisions (Response at 7). First, the Second Circuit holds in L-Tec that: "We see convincing signs in New York case law that a company dissolved for failure to pay franchise taxes can be considered a de facto corporation." 198 F.3d at 87. As noted by Petitioner, the L-Tec Court then observes that two New York decisions did not recognize such a de facto existence. However, Petitioner fails to note that the L-Tec Court goes on to state: "However, even those cases recognize that where the corporation later pays its taxes and is reinstated, its corporate status is reinstated nunc pro tunc, and any contracts into which it may have entered are retroactively validated." Id.

Finally, contrary to Petitioner's assertion (Motion at 12), the certified official document from the public records of New York State attached to Respondent's Motion as Exhibit 1 is relevant because it shows current facts of public record, and because of the retroactive effect, under the New York Tax Law, of the corporate reinstatement referred to in the official document.

For the foregoing reasons, and the reasons set out in Respondent's Motion, Petitioner has failed to allege any false statement of material fact in connection with the 2005 Renewal Application, and Respondent respectfully requests that its motion be granted.

Respectfully submitted,

Locke Lord Bissell & Liddell LLP

Dated: April 14, 2009

By:



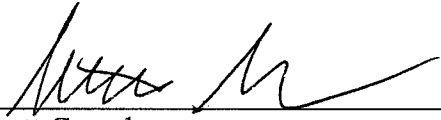
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the attached RESPONDENT'S
REPLY IN SUPPORT OF MOTION TO DISMISS AND, IN THE ALTERNATIVE, FOR
JUDGMENT ON THE PLEADINGS was served by first class mail, postage prepaid, on this
14th day of April 2009 upon attorney of record for the Petitioner at the following address:

Marc N. Blumenthal, Esq.
Law Office of Marc N. Blumenthal
19 S La Salle Street, Suite 1500
Chicago, IL 60603-1413



Scott Greenberg