

ESTTA Tracking number: **ESTTA377109**

Filing date: **11/05/2010**

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

Proceeding	92052554
Party	Plaintiff Janus Development Group, Inc.
Correspondence Address	ANGELA P. DOUGHTY WARD AND SMITH, P.A. POST OFFICE BOX 867 NEW BERN, NC 28563-0867 UNITED STATES apd@wardandsmith.com
Submission	Other Motions/Papers
Filer's Name	Angela P. Doughty
Filer's e-mail	trademarks@wardandsmith.com, apd@wardandsmith.com
Signature	/Angela P. Doughty/
Date	11/05/2010
Attachments	PLD - Reply to Foundation's Response to our Motion to Dismiss - SPEECH-EZ Counter Claims(3).pdf (7 pages)(86665 bytes)

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

Janus Development Group, Inc.,

Petitioner,

vs.

Foundations Developmental House, LLC,

Respondent.

Cancellation No.: 92052554

**PETITIONER'S REPLY
TO RESPONDENT'S
REPLY TO
PETITIONER'S MOTION
TO DISMISS**

November 5, 2010

**PETITIONER'S REPLY TO RESPONDENT'S REPLY TO
PETITIONER'S MOTION TO DISMISS**

Petitioner, Janus Development Group, Inc. ("Janus"), by its undersigned counsel, submits this Reply to Respondent's, Foundations Developmental House, LLC ("Foundations"), Reply to Janus' Motion to Dismiss. Foundations fails to refute or even challenge the arguments and authorities presented in support of Janus' Motion to Dismiss. Instead, Foundations seeks to evade these arguments and authorities and to avoid dismissal of its Counterclaims on the basis of unsupported and incorrect analysis. The Motion to Dismiss is well founded and should be granted.

ARGUMENT

1. Standing: Foundations first argues that it has standing to assert its Counterclaims as a matter of law under § 313.03 of the TBMP. This is unsupported and incorrect.

To have standing, a party must have both general standing, which is provided by § 313.03 of the TBMP, and have elemental standing or substantive interest in the matter that is the subject of the claim. Ceccato v. Manifattura, 32 USPQ2d 1192, 1199 (TTAB

1994). These are distinct requirements. The first involves facts or circumstances giving rise to general standing (i.e., position as respondent). The second concerns the facts or circumstances required for stating a ground or cause of action for cancellation on a particular statutory basis (i.e., the elemental context of the claim).

A case cited by Foundations, Ceccato, is instructive. In Ceccato, this Board was confronted with a counterclaim in an opposition proceeding by an applicant seeking to register its mark and seeking to have the registration of an opponent's mark cancelled on the basis that it represented the coat of arms of an unrelated family. Notwithstanding that the applicant was a proper counterclaimant, the Board found that the applicant was seeking to make a claim concerning a matter in which the applicant did not have an interest. The Board, therefore, concluded that the applicant failed to satisfy the elemental or substantive requirement for bringing its counterclaim and dismissed the counterclaim. The same result should be obtained here.

In this case, Janus does not assert that Foundations has not satisfied the requirement for general standing set forth in § 313.03 of the TBMP. Janus asserts that Foundations Counterclaims fail, on their face and *as a matter of law*, to satisfy the elemental or substantive requirement for asserting a misrepresentation of source claim wherein the claim affects the interests of Janus, but not those of Foundations. Foundations addresses the first requirement, but altogether fails to address the second.

To satisfy the elemental or substantive requirement for asserting a claim under Section 14(3), Foundations must allege that Janus has deliberately and aggressively misused Janus' Marks in a manner aimed at trading upon the reputation of Foundations. Heros, Inc. v. The Boomer Esiason Hero's Foundation, Inc., 43 USPQ2d 1193, 1209

(TTAB 1997). Foundations has not done so, and cannot do so. Foundations has not, and cannot, allege that Janus' Marks are being deliberately and aggressively misused, or have been deliberately and aggressively misused, by Janus or its licensees in a way that has affected Foundations, its reputation, or any of its marks. Foundations alleges only that Janus has adversely affected its own Marks by permitting them to be used by licensed speech therapists. These allegations are insufficient, *as a matter of law*, to satisfy the elemental requirement for asserting a claim under Section 14(3).

Foundations' reliance on the cases that are string cited in its Reply is misplaced. Except for Ceccato, which supports dismissal of the Counterclaims, all of these cases are distinguishable both factually and legally. Unlike this case, none involve a misrepresentation of source claim under Section 14(3) Lanham Act by a party whose marks have been allegedly affected by misuse of a mark, and none involve any issue relating to the elemental or substantive requirement for asserting such a claim.

Foundations cannot merely rely on its position as a respondent in this proceeding to circumvent the elemental requirement for asserting a Section 14(3) misrepresentation of source claim. Foundations' response attempts to broadly address the standing of a counterclaimant without addressing the specific elemental standing issues raised in the arguments and authorities presented by Janus. While convenient for Foundations, this approach is unsupported and will not withstand scrutiny. Foundations' complete failure to address or refute the specific arguments and authorities presented by Janus demonstrates that Foundations cannot, *as a matter of law*, establish the requisite elemental standing for a Section 14(3) misrepresentation of source claim. Thus, as in Ceccato, notwithstanding that Foundations is a proper counterclaimant within the

meaning under § 313.03 of the TBMP, the Counterclaims by Foundations based on Section 14(3) should be dismissed.

2. Misrepresentation of Source: Foundations next argues that the statute provides a foundation for the assertion of Counterclaims based on alleged misrepresentation of source. However, Foundations fails to identify any specific portions of the Counterclaims that contain the statutorily required factual basis for a Section 14(3) claim of misrepresentation of source. Instead, Foundations vaguely asserts that Janus too narrowly interprets §§ 15 USC 1115(b)(3) and 15 USC 1064(3) and again cites the plain language of the statutes. This argument is unsupported and disregards the clear mandate of the language set forth in the statute.

Foundations cites no case law authority for its position. Nor does Foundations make any attempt to challenge the arguments or to distinguish the case law authority presented by Janus demonstrating that Foundations cannot, *as a matter of law*, establish the statutorily required factual basis for a Section 14(3) misrepresentation of source claim. The Counterclaims asserted by Foundations on this theory should be dismissed.

3. Abandonment: Finally, Foundations argues that Janus has mischaracterized its Counterclaim based on the alleged loss of meaning of the Janus Marks that Foundations seeks to have cancelled. This argument, which is grounded in semantics, is unsupported and evasive.

The basis for Foundations Counterclaim is that Janus' Marks no longer serve to identify the patented speech therapy devices manufactured, distributed, and sold by

Janus. Regardless of whether the Counterclaim by Foundations is characterized as a claim under § 15 USC 1127 wherein Janus' Marks do not meet the definition of a trademark or, alternatively, a claim of abandonment under § 15 USC 1127 wherein Janus' Marks no longer serve as source identifiers (i.e., no longer serve as trademarks), the same statutory requirements for asserting a claim for cancellation apply. As a result, all of Janus' arguments and authority are relevant and apropos regardless of the semantics of the Counterclaim. To satisfy the statutory requirements, Foundations must allege that Janus' Marks altogether have lost their meaning as trademarks or source identifiers for Janus.

Foundations again fails to identify any specific portions of the Counterclaims that contain the required factual basis necessary to support its claim that Janus' Marks fail to serve as trademarks. To the contrary, Foundations' repeated affirmative allegations that Janus' Marks identify Janus' goods, regardless of whether they may or may not also represent the services of its licensees, unequivocally negates and contradicts any claim that Janus' Marks fail to serve as trademarks.

Foundations also again fails to provide any authority or factual support for its position and completely fails to respond to the arguments and authorities presented by Janus in its Motion to Dismiss. Foundations fails, *as a matter of law*, to allege the requisite factual basis necessary to demonstrate that Janus' Marks no longer serve to identify its goods (i.e., no longer serve as trademarks as defined in § 15 USC 1127). Thus, this Counterclaim, however characterized, should be dismissed.

CONCLUSION

For the reasons stated herein, Janus respectfully requests that the Board enter an Order dismissing Foundation's Counterclaims.

Respectfully submitted,

/Angela P. Doughty/

Angela P. Doughty
N.C. State Bar I.D. No.: 33897
E-mail: apd@wardandsmith.com
Donalt J. Eglinton
N.C. State Bar I.D. No.: 010314
E-mail: dje@wardandsmith.com
For the firm of
Ward and Smith, P.A.
Post Office Box 867
New Bern, NC 28563-0867
Telephone: (252) 672-5400
Facsimile: (252) 672-5477
Attorneys for Petitioner

Dated: November 5, 2010

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of Petitioner's Reply to Respondent's Reply to Petitioner's Motion to Dismiss is being sent by Certified First Class Mail on the 5th day of November, 2010, to the Respondent's attorney at the following address:

Keith L. Jenkins, Registered Patent Attorney, LLC
44075 W. Neely Drive
Maricopa, AZ 85138

/Angela P. Doughty/

Angela P. Doughty
N.C. State Bar I.D. No.: 33897
E-mail: apd@wardandsmith.com
Donalt J. Eglinton
N.C. State Bar I.D. No.: 010314
E-mail: dje@wardandsmith.com
For the firm of
Ward and Smith, P.A.
Post Office Box 867
New Bern, NC 28563-0867
Telephone: (252) 672-5400
Facsimile: (252) 672-5477
Attorneys for Petitioner