

ESTTA Tracking number: **ESTTA426064**

Filing date: **08/19/2011**

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

Proceeding	92052908
Party	Defendant Joseph J. Norton
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Submission	Motion to Dismiss - Rule 12(b)
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Attachments	92052908 Registrant's Partial Motion to Dismiss.pdf ( 9 pages )(400839 bytes )

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

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TRIUMBARI CORPORATION,	:	Cancellation No. 92052908
	:	
Petitioner,	:	
	:	<b>REGISTRANT'S PARTIAL MOTION</b>
	:	<b>TO DISMISS PETITIONER'S</b>
v.	:	<b>AMENDED PETITION FOR</b>
	:	<b>CANCELLATION PURSUANT TO</b>
JOSEPH J. NORTON,	:	<b>FED. R. CIV. 12(b)(6) AND</b>
	:	<b>SUPPORTING MEMORANDUM OF</b>
Registrant.	:	<b>LAW</b>
	:	
-----X	:	

**REGISTRANT'S PARTIAL MOTION TO DISMISS  
AMENDED PETITION FOR CANCELLATION**

Registrant, Joseph J. Norton, moves pursuant to Fed. R. Civ. P. 12(b)(6) to dismiss the claim of fraud set forth in the Amended Petition for Cancellation filed by Petitioner, Triumbari Corporation (Amended Petition, ¶¶ 29-37). In its June 30, 2011 Order ("Order"), the Board granted Registrant's original motion to dismiss with respect to Petitioner's deficient fraud claim, citing the lack of any factual allegations relating to Registrant's knowledge of alleged third party use. (Order, at 8).

In dismissing the fraud claim, the Board gave Petitioner an opportunity to replead, admonishing Petitioner to set forth a factual basis supporting the claim. *Id.* Notwithstanding its actual notice of the deficiencies of its original fraud claim, Petitioner inexplicably trotted out virtually the identical claim in its Amended Petition, failing to cure its deficient pleading.

For the same reasons discussed in Registrant's original motion to dismiss and as noted in the Board's Order, Petitioner once again failed to state a claim for fraud which complies with the

strict standards set forth in Fed. R. Civ. P. 9(b).<sup>1</sup> As Petitioner has failed twice to articulate any factual basis that would support a claim of fraud after multiple bites at the apple, Registrant respectfully requests that the Board grant his partial motion to dismiss and dismiss Petitioner's claim of fraud without leave to replead.

### REGISTRANT'S MEMORANDUM OF LAW

#### **I. THE BOARD PREVIOUSLY GRANTED REGISTRANT'S MOTION TO DISMISS PETITIONER'S CLAIM OF FRAUD**

The Board is already aware of the weaknesses of Petitioner's fraud claim. In its Order granting Registrant's original motion to dismiss Petitioner's fraud claim, the Board held:

Here, petitioner has pleaded intent to deceive the Office generally, but the factual allegations relating to material misrepresentations to the Office in connection with the allegedly false Section 2(f) affidavit are insufficient. In particular, petitioner has included no allegations of respondent's knowledge of third-party uses at the time it filed its Section 2(f) affidavit. Petitioner's allegation in paragraph 32 that "Petitioner has been using a similar bottle design since at least 1996," is insufficient for this purpose.

Order, at 8.

In its Amended Petition for Cancellation, Petitioner again fails to comply with the pleading standard set forth in Fed. R. Civ. P. 9(b) as it fails to state with "particularity" the "circumstances" constituting fraud. Petitioner's vague allegations that: "Moreover, similar bottle designs were widely used and distributed by other manufacturers and marketers of bottles and Registrant was aware of such widespread use at the time of his Declaration" does not state with any particularity the "facts" or "circumstances" constituting fraud. (Amended Petition, ¶ 33).

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<sup>1</sup> While Petitioner's claim that Registrant's Registration No. 3,323,848 for its Bug Juice trade dress configuration should be cancelled on grounds of functionality is utterly devoid of a factual or legal basis, Registrant does not believe it is appropriate to burden the Board at this juncture with a dispositive motion on the issue of functionality. As set forth herein, however, Petitioner's amended claim of fraud is ripe for dismissal at the pleading stage.

Petitioner's single new allegation fails to provide any "factual allegations relating to material misrepresentations to the Office . . . [particularly] . . . allegations of respondent's knowledge of third-party uses . . .," as expressly instructed by the Board. (Order, at 8).

Petitioner's inability to add any specific factual allegations regarding the critical issue of Registrant's alleged knowledge of third party use of the bottle design at issue as raised by the Board confirms that no factual basis exists for its fraud claim. Petitioner was not able to identify by name (or even generally by industry) a single "manufacturer[] [or] marketer[] of bottles" that used Registrant's trade dress at the time he filed his declaration in support of Registration No. 3,323,848, let alone attach any exhibits to the Amended Petition reflecting such alleged use. If Petitioner actually had a factual basis for its claim of third party use, such information and supporting evidence should have been readily available.

In short, Petitioner's amended pleading is purely conclusory and devoid of any factual underpinning, confirming the futility of its claim of fraud. As Petitioner once again failed to state a cause of action for fraud and is not entitled to the benefit of the doubt at this juncture, this count should be dismissed with prejudice, without leave to replead.

## **II. ARGUMENT**

### **A. STANDARD FOR DISMISSAL PURSUANT TO FED. R. CIV. P. 12(b)(6)**

"To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Ashcroft v. Iqbal*, 129 S. Ct. 1937, 1949 (2009); *Zoba Int'l Corp. dba CD Digital Card v. DVD Format/Logo Licensing Corp.*, T.T.A.B. Canc. No. 92051821, 2011 WL 1060727 at \*1 (T.T.A.B. Mar. 10, 2011). For a claim to have "facial plausibility," there must be enough "factual content that allows the court to

draw the reasonable inference that the defendant is liable for the misconduct alleged.” *Iqbal*, 129 S. Ct. at 1949; *Zoba*, 2011 WL 1060727 at \*1.

Under the “two-pronged” standard of *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007) and *Iqbal*, and as adopted by the Board in *Zoba*, the Board must accept as true only Petitioner’s “well-pleaded factual allegations,” not its legal conclusions or other “unadorned” accusations of harm. *Iqbal*, 129 S.Ct. at 1949-50. After excluding allegations “that, because they are no more than conclusions, are not entitled to the assumption of truth,” the Board must determine whether the alleged facts state a plausible claim for relief. *Iqbal*, 129 S. Ct. at 1950.

In order to survive a motion to dismiss under Rule 12(b)(6), Petitioner “need only allege sufficient factual matter [that] would, if proved, establish that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing or cancelling the mark.” *Zoba*, 2011 WL 1060727 at \*1 (motion to dismiss claim of fraud granted where petitioner failed to allege the requisite intent necessary to plead a fraud claim); *see also Duramax Marine, L.L.C. v. R.W. Fernstrum & Co.*, 2001 WL 431506, at \*3 (T.T.A.B. April 26, 2001) (motion to dismiss granted where complaint failed to include any “specific allegations . . . that, if proved, would establish that registrant’s merely descriptive mark has not become distinctive of applicant’s services or that the primary significance of the proposed mark remains the original descriptive significance”).

Petitioner’s conclusory allegation that Registrant was aware of use of “similar” bottle designs by unidentified third parties -- fails to meet the notice pleading standard under Fed. R. Civ. P. 8. As the Supreme Court articulated, “a plaintiff’s obligation to provide the ‘grounds’ of his ‘entitle[ment] to relief’ requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do . . . .” *Bell Atlantic*, 550 U.S. at 555-56. *See*

also, *eCash Technologies, Inc. v. Guagliardo*, 210 F. Supp. 2d 1138, 1143 (C.D. Cal. 2001) (“the Court need not accept as true unreasonable inferences, unwarranted deductions of fact, or conclusory legal allegations cast in the form of factual allegations.”).

With the foregoing framework for analyzing Petitioner’s pleading in hand, it is clear that dismissal of Petitioner’s minimally amended fraud claim is warranted under Rule 12(b)(6).

**B. ONCE AGAIN, PETITIONER FAILED TO MEET THE HIGH STANDARD FOR STATING A CAUSE OF ACTION FOR FRAUD**

An allegation of fraud must be stated with particularity pursuant to Fed. R. Civ. P. 9(b), which is made applicable in Board proceedings by Trademark Rule 2.116(a). *Asian and Western Classics B.V. v. Selkow*, 2009 WL 3678263, 92 U.S.P.Q.2d 1478, Canc. No. 92048821 (T.T.A.B. Oct. 22, 2009); *Northwestern Corp. v. Gabriel Mfg. Co., Inc.*, No. 95-Civ-2004, 1996 WL 251433, at \*5 (N.D. Ill. May 8, 1996) (deficient claim of functionality of trade dress dismissed).

A party alleging fraud bears a “heavy” burden of proof. *In re Bose Corp.*, 580 F.3d 1240, 1243 (Fed. Cir. 2009) (overruling the Board’s mere negligence standard set forth in *Medinol v. Neuro Vasx, Inc.* for finding fraud); *Enbridge Inc. v. Excelerate Energy LP*, 92 U.S.P.Q.2d 1537, 1540, Opp. No. 91170364 (T.T.A.B. Oct. 6, 2009).

Fraud must be proven “‘to the hilt’ with clear and convincing evidence.” *Bose*, 580 F.3d at 1243. (internal citation omitted). As Professor McCarthy notes, fraud in the procurement of a trademark registration is often alleged, but “seldom proven.” 6 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 31:68 (4th ed. 2007).

Generally, in order to state a claim of fraud, “the plaintiff must allege with particularity, rather than by implied expression, that the defending party knowingly made a false, material representation in the procurement of or renewal of a registration with the intent to deceive the

U.S. Patent and Trademark Office.” *Zoba*, 2011 WL 1060727 at \*2. The Federal Circuit made clear in *Bose* that, “Unless the challenger can point to evidence to support an inference of deceptive intent, it has failed to satisfy the clear and convincing evidence standard required to establish a fraud claim.” 580 F.3d at 1246. Here, Petitioner failed to include any specific allegations in support of its amended claim of fraud, or to point to any evidence to support an inference of Registrant’s scienter.

**C. PETITIONER’S AMENDED CLAIM OF FRAUD SUFFERS FROM THE SAME FATAL DEFICIENCIES AND SHOULD BE DISMISSED**

Where, as here, a plaintiff is claiming that the declaration in defendant’s application was executed fraudulently because of another use, the plaintiff must allege particular facts that would establish that:

- (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 its 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 U.S.P.Q.2d 1203, 1206 (T.T.A.B. 1997) (dismissing plaintiff’s claim of fraud pursuant to Fed. R. Civ. P. 12(b)(6)). Notwithstanding that the Board previously warned Petitioner that its claim was fatally insufficient on this very point, the Amended Petition for Cancellation is devoid of *all* of the foregoing required factors.

“ “[C]harges of fraud and non-disclosure [that rely on an applicant’s alleged duty to disclose uses of the same mark by others] have uniformly been rejected.” *eCash Technologies*, 210 F. Supp. 2d at 1149 (citing 6 *McCarthy*, § 31:76 at 31-129).

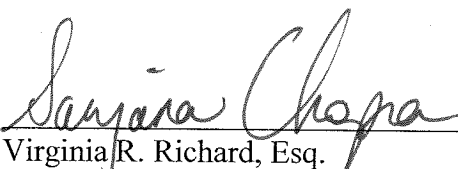
It is hornbook law that, "If applicant has a good faith belief that it is the senior user, then the oath cannot be fraudulent." 6 *McCarthy, supra*, § 31:77. An applicant's failure to disclose to the PTO the asserted rights of another does not constitute fraud "unless such other person was known by applicant to possess a superior or clearly established right to use the same or a substantially identical mark for the same or substantially identical goods or services as those in connection with which registration is sought." *Intellimedia Sports*, 43 U.S.P.Q.2d at 1207. Notwithstanding the Board's admonishment in its Order, Petitioner once again failed to allege that the alleged third party "manufacturers and marketers of bottles" used *identical or substantially similar* – not simply "similar" -- trade dress. (Amended Petition, ¶ 33). Similarly, Petitioner failed to allege that the unnamed third parties used confusingly similar trade dress in connection with *competitive goods*, namely, children's fruit-flavored beverages.

As Petitioner failed to allege each and every element required to sufficiently plead a cause of action for fraud, this count should be dismissed with prejudice without leave to replead. *eCash Technologies*, 210 F. Supp. 2d at 1151 (claim of fraud on the PTO dismissed with prejudice).

### **III. CONCLUSION**

For the reasons set forth herein, Registrant requests that Petitioner's claim of fraud as set forth in its Amended Petition for Cancellation (¶¶ 29-37) be dismissed with prejudice, without leave to plead.

Dated: New York, New York  
August 19, 2011

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**CERTIFICATE OF SERVICE**

I hereby certify that on August 19, 2011, a true and correct copy of the foregoing Registrant's Partial Motion to Dismiss Pursuant to Fed. R. Civ. P. 12(b)(6) and Supporting Memorandum of Law was duly served on counsel of record for Petitioner by U.S. first class pre-paid mail in an envelope addressed as follows:

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Denise Bolden