

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

coggins

Mailed: May 14, 2012

Cancellation No. 92052908

Triumbari Corporation

v.

Joseph J. Norton

Before Bucher, Ritchie, and Kuczma,
Administrative Trademark Judges.

By the Board:

This case comes up on respondent's motion (filed August 19, 2011) to dismiss the ground of fraud in the amended petition for cancellation for failure to state a claim under Fed. R. Civ. P. 12(b)(6).

Background

On June 30, 2011, the Board denied respondent's earlier motion to dismiss under Fed. R. Civ. P. 12(b)(6) as to petitioner's standing and the pleaded grounds of functionality, lack of acquired distinctiveness, and lack of inherent distinctiveness, but granted the motion as to the ground of fraud; and allowed petitioner time in which to file an amended petition that properly alleges fraud. Petitioner filed a timely amended petition, and respondent, in lieu of filing an answer, moved to dismiss the amended ground of fraud

under Fed. R. Civ. P. 12(b)(6) for failure to state a claim upon which relief can be granted.

On September 6, 2011, the Board suspended proceedings pending disposition of the outstanding motion to dismiss, and required petitioner to provide information about a civil action between respondent and a third-party, which third-party allegedly is one of petitioner's customers. Petitioner and respondent each filed a status report on the civil action.

Civil Action

It appears that the civil action has been terminated and that the parties thereto have entered into a settlement agreement and are under a consent decree. Inasmuch as neither party provided copies of the operative pleadings, settlement agreement, or consent decree; Triumbari Corporation (petitioner in the Board case) does not appear to have been a party to the civil action as an original defendant or a party intervenor; and respondent has not indicated that the civil action affects petitioner's rights in the cancellation proceeding, the civil action does not appear to have a bearing on the Board case.

Motion to Dismiss

Inasmuch as we previously found petitioner's allegations of standing, functionality, lack of acquired distinctiveness, and lack of inherent distinctiveness sufficient to state a claim, and respondent's current motion moves only for

dismissal of the ground of fraud, we need only address the amended ground of fraud.

A motion to dismiss for failure to state a claim is a test solely of the legal sufficiency of the complaint. To withstand a motion to dismiss for failure to state a claim in a Board cancellation proceeding, the plaintiff need only allege such facts as would, if proved, establish that (1) it has standing, and (2) a valid ground exists for cancellation of the subject registration. *Petróleos Mexicanos v. Intermix SA*, 97 USPQ2d 1403, 1404 (TTAB 2010); *citing Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007), and *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1755 (Fed. Cir. 1998). Specifically, "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*, 556 U.S. 662, 129 S.Ct. 1937, 1949-50 (2009), *quoting Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). In particular, a plaintiff need only allege "enough factual matter ... to suggest that [a claim is plausible]" and "raise a right to relief above the speculative level." *Totes-Isotoner Corp. v. U.S.*, 594 F.3d 1346 (Fed. Cir. 2010). For purposes of determining respondent's motion, all of petitioner's well-pleaded allegations must be accepted as true, and the amended petition must be construed in the light most favorable to petitioner. In accordance with Fed. R. Civ.

P. 8(e), the pleading must be construed so as to do justice. *Intermix SA*, 97 USPQ2d at 1405.

To plead (and ultimately prove) fraud, petitioner must show that respondent knowingly made a false misrepresentation of a material fact. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009); *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986). Petitioner's ground of fraud is based solely on respondent's submission of its Section 2(f) declaration during the prosecution of the underlying application which matured into the subject registration. See Amended Petition, paras. 30 and 31. Petitioner pleads that respondent "intentionally misrepresented material facts" which were "falsely claimed." *Id.* at paras. 29 and 30. This wording was in the original petition to cancel. The only substantive difference between the original and amended petitions is the addition of the following wording which now appears as paragraph 33: "Moreover, similar bottle designs were widely used and distributed by other manufacturers and marketers of bottles and [respondent] was aware of such widespread use at the time of his [d]eclaration."

As stated in our June 30, 2011, order, a pleading of fraud based on a Section 2(f) declaration, in connection with a claim of substantially exclusive use, requires an allegation that the defendant fraudulently declared that its use of the

mark had been substantially exclusive, as well as an allegation of the extent of third-party uses known to defendant at the time it filed its Section 2(f) affidavit. See *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355 (TTAB 1989) (procedural discussion of fraud relating to a Section 2(f) claim); and also at 25 USPQ2d 1321 (TTAB 1992) (final decision after trial). The Board granted respondent's first motion to dismiss based on petitioner's failure to "include[] allegations of respondent's knowledge of third-party uses at the time it filed its Section 2(f) affidavit." Order, p.8. By way of paragraph 33 in the amended petition, petitioner has now included allegations of widespread use of similar bottle designs and respondent's knowledge of those third-party uses.

Respondent argues that petitioner fails to plead any specific factual underpinning for the claim of fraud; that is, that petitioner should have identified by name, or generally by industry, the third-party manufacturers and marketers which petitioner alleges were using similar bottle designs and of which petitioner alleges respondent had knowledge at the time the Section 2(f) declaration was filed.¹ Petitioner counters

¹ We note that respondent also argues that, under *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203 (TTAB 1997), petitioner is required to allege various other facts. Respondent's reliance on *Intellimedia* is misplaced. That case dealt with a ground of fraud based on the execution of the application oath, not a Section 2(f) affidavit.

that it has alleged sufficient facts that would, if proved, establish that respondent intentionally misrepresented material facts during prosecution of the underlying application.

We agree with petitioner that, taken together, the paragraphs of the amended petition provide at least a minimally satisfactory pleading of fraud. As noted above, petitioner need only allege "enough factual matter ... to suggest that [a claim is plausible]" and "raise a right to relief above the speculative level." *Totes-Isotoner Corp.*, *supra*. By the amended complaint, petitioner has now provided enough factual matter as to respondent's knowledge of third-party use of similar bottle designs at the time the Section 2(f) affidavit was filed. It is not necessary for petitioner to specifically name any third-party user at the pleading stage. Indeed, the names of the other manufacturers and marketers of similar bottle designs may not be known. What is alleged is that other uses of similar bottle designs existed at the time of the Section 2(f) declaration, and that these uses were known to respondent, and that they may negate respondent's claim of substantially exclusive use.

In view thereof, respondent's motion to dismiss the ground of fraud is denied. Respondent is allowed until June 1, 2012, in which to answer the amended petition for cancellation.

Schedule

Proceedings are resumed, and dates are reset on the following schedule.

Time to Answer	6/1/2012
Deadline for Discovery Conference	7/1/2012
Discovery Opens	7/1/2012
Initial Disclosures Due	7/31/2012
Expert Disclosures Due	11/28/2012
Discovery Closes	12/28/2012
Plaintiff's Pretrial Disclosures	2/11/2013
Plaintiff's 30-day Trial Period Ends	3/28/2013
Defendant's Pretrial Disclosures	4/12/2013
Defendant's 30-day Trial Period Ends	5/27/2013
Plaintiff's Rebuttal Disclosures	6/11/2013
Plaintiff's 15-day Rebuttal Period Ends	7/11/2013

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125. Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.