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

Proceeding	92055379
Party	Defendant Sandra Banks
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Submission	Motion to Dismiss - Rule 12(b)
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Larry Reynolds)	
)	Cancellation No.: 92055379
)	Petitioner,
)	Reg. No.: 4,107,421
vs.)	
)	Mark: DRAMATICS
Sandra Banks)	
)	Registrant.
)	Reg.: March 6, 2012
)	

**REGISTRANT'S MOTION TO DISMISS
AND MEMORANDUM OF LAW**

Sandra Banks ("Registrant"), through her undersigned attorneys and pursuant to Fed. R. Civ. P. 12(b)(7) and 9(b), hereby moves to dismiss the Amended Petition for Cancellation filed by Petitioner Larry Reynolds ("Petitioner"), for failure to join an indispensable party under Fed. R. Civ. P. 19(a) and for failure to plead fraud with particularity, respectively.

Relevant Facts and Introduction

The following facts are pertinent to this motion:

Registrant was issued the trademark "THE DRAMATICS", U.S. Registration No. 4,107,421, on March 6, 2012.

Petitioner filed a Petition for Cancellation of Registrant's trademark on March 27, 2012. Inexplicably and without service on Ms. Banks, Petitioner filed an identical Amended Petition for Cancellation of Registrant's trademark on April 24, 2012 ("Amended Petition").

In his Amended Petition, Petitioner alleges that he has standing to bring this cancellation proceeding by virtue of his ownership of THE DRAMATICS common law mark and the trademark registration for DRAMATICS THE SINGING GROUP. Amended Petition at ¶ 11.

Petitioner alleges that THE DRAMATICS common law mark and the trademark registration for DRAMATICS THE SINGING GROUP are owned by a Michigan limited liability company of which Petitioner, Willie Ford and Ronald Banks are members. Amended Petition at ¶ 6.

Sometime after the death of Ronald Banks in March of 2010, Petitioner believes that Ms. Banks "began to claim sole ownership of the Dramatics". A lawsuit detailing these allegations has been filed in the United States District Court for Eastern District of Michigan. See Exhibit 1 to Registrant's Motion for Suspension of Petition to Cancel. Ms. Banks has, or will answer that Petitioner has usurped business opportunity and has engaged in unauthorized use of the DRAMATICS trademark. However, regardless of these disputes, the proper party, by Petitioner's own admission to challenge trademark ownership of THE DRAMATICS mark, is the Michigan limited liability company. Amended Petition at ¶ 6. Here, Petitioner has not joined Willie Ford and the Estate of Ron Banks ("Co-owners") who are indispensable parties in the action. Therefore, Petitioner's claims under the Trademark Act must be dismissed pursuant to Fed. R. Civ. P. 12(b)(7) for failure to join an indispensable party.

In addition, Petitioner has alleged that Registrant fraudulently filed the application for registration of the mark THE DRAMATICS and that registration of the mark was obtained fraudulently. However, Petitioner's fraud pleadings alleged only that Registrant "knew or *should have known*" (emphasis added) that the mark was not in use and that her application contained a mark that was false. Such pleadings do not contain specific facts necessary to sustain a fraud claim. Based on the Federal Circuit's decision in In re Bose Corp., 91 U.S.P.Q.2d 1938 (Fed. Cir. 2009) and at least one subsequent unpublished Trademark Trial and Appeal Board ("TTAB") order interpreting Bose, a trademark owner commits fraud on the Trademark Office

when obtaining or maintaining a registration *only* when the owner knowingly makes a false, material representation *with the intent to deceive* the Office (emphasis added). *Id.* Therefore, based on this heightened standard, Petitioner's fraud claim must be dismissed on the additional ground pursuant to Fed. R. Civ. P. 9(b) for failure to plead fraud with particularity.

Argument

I. Petitioner's claims must be dismissed for failure to join Co-owners as indispensable parties under Fed. R. Civ. P. 12(b)(7).

Fed. R. Civ. P. 19 sets forth a two-step test for determining whether the court must dismiss an action for failure to join an indispensable party. First, the court must determine "whether an absent party belongs in the suit, *i.e.*, whether the party qualifies as a 'necessary' party under Rule 19(a)." Viacom Int'l, Inc. v. Kearney, 212 F.3d 721, 724 (2d. Cir. 2000). Rule 19(a) provides in relevant part:

"A person who is subject to service of process and whose joinder will not deprive the court of jurisdiction over the subject matter of the action shall be joined as a party in the action if (1) in the person's absence complete relief cannot be accorded among those already parties, or (2) the person claims an interest relating to the subject of the action and is so situated that the disposition of the action in the person's absence may (i) as a practical matter impair or impede the person's ability to protect that interest or (ii) leave any of the persons already parties subject to a substantial risk of incurring double, multiple, or otherwise inconsistent obligations by reason of the claimed interest. If the person has not been so joined, the court shall order that the person be made a party."

Viacom Int'l, 212 F.3d at 724 (citing Fed. R. Civ. P. 19(a)). Second, if a party is deemed necessary, "it then must be determined whether the party's absence warrants dismissal pursuant to Rule 19(b), Fed. R. Civ. P." Agilent Techs., Inc. v. Micromuse, Inc., 2004 U.S. Dist. LEXIS 20723 (S.D.N.Y. Oct. 19, 2004) (citing Viacom Int'l, 212 F.3d at 725).

As a general matter, "United States patent law . . . requires that all co-owners normally must join as plaintiffs in an infringement suit." Int'l Nutrition Co. v. Horphag Research Ltd., 257

F.3d 1324, 1331 (Fed. Cir. 2001); see also Ethicon, Inc. v. United States Surgical Corp., 135 F.3d 1456, 1468 (Fed. Cir. 1998) (stating that, "as a matter of substantive patent law, all co-owners must ordinarily consent to join as plaintiffs in an infringement suit") (footnote omitted). As one court has explained, since "all co-owners have standing to sue for infringement, if all the co-owners are not joined in an infringement suit, there may be a risk that the defendant will be subject to multiple suits." E-Z Bowz, L.L.C. v. Prof'l Prod. Research Co., 2003 U.S. Dist. LEXIS 15364, No. 00 Civ. 8670 (LTS) (GWG), 2003 WL 22064257, at *3 (S.D.N.Y. Sept. 5, 2003) (quoting IBM Corp. v. Conner Peripherals, 1994 U.S. Dist. LEXIS 2884, No. 93 Civ. 20591 (RMW), 1994 WL 409493, at *3 (N.D. Cal. Jan. 28, 1994)).

Cases addressing "the question of who must be joined in trademark infringement actions . . . indicate that the same general rules developed in patent and copyright litigation should be applied" to trademarks. Pure Food Products, Inc. v. Am. Bakeries Co., 1972 U.S. Dist. LEXIS 10945, 176 U.S.P.Q. (BNA) 233, at *1-2 (N.D. Ill. Nov. 28, 1972). See, e.g., Int'l Imps., Inc. v. Int'l Spirits & Wines, LLC, 2012 U.S. Dist. LEXIS 64929 (S.D. Fla. May 9, 2012) (finding co-owners of trademark indispensable parties in infringement action); St. James v. New Prague Area Cmty. Ctr., No. 06-1472, 2006 WL 2069197, at *2 (D. Minn. Jul. 26, 2006) ("It is well-established, in suits for patent and trademark infringement, that the owner of a patent or trademark is subject to compulsory joinder"); Discount Muffler Shop, Inc. v. Meineke Realty Corp., Inc., 535 F.Supp. 439, 448 (N.D. Ohio 1982) (owner of trademark is indispensable to action for infringement); May Apparel Group, Inc. v. Ava Import-Export, Inc., 902 F.Supp. 93, 96 (M.D.N.C. 1995) (trademark owner was indispensable party); Marrero Enters. of Palm Beach, Inc. v. Estefan Enters., Inc., No. 06-81036-CIV, 2007 WL 4218990 (S.D. Fla. Nov. 29, 2007) (trademark owner was a necessary party); Reusser v. Seidelman, No. 8:07-CV-427-T-30, 2007

WL 2339854, at *1 (M.D. Fla. Aug. 16, 2007) (“the owner of the trademark is the person to bring an action for the allegedly infringed rights”); American Rice, Inc. v. Producers Rice Mill, Inc., No. H-05-3227, 2006 WL 1984592, at *11 (S.D. Tex. Jul. 14, 2006) (noting that owners of trademarks are usually treated as necessary and indispensable parties in a trademark case), aff’d in part, vacated in part, 86 U.S.P.Q.2d 1162 (5th Cir. 2008).

As co-owners are indispensable parties in trademark infringement actions, so too should they be indispensable parties in trademark cancellation actions based upon the same logic. “[I]f all the co-owners are not joined in [the] suit, there may be a risk that the defendant will be subject to multiple suits.” E-Z Bowz, L.L.C., 2003 U.S. Dist. LEXIS 15364, at *3 (quoting IBM Corp., 1994 U.S. Dist. LEXIS 2884, at *3). Neither Co-owner disclaimed its interest in pursuing litigation related to the trademark in favor of the Petitioner. Without Willie Ford and the Estate of Robert Banks joined as petitioners in the cancellation action, Registrant is at risk of have to re-litigate similar cancellation proceedings filed by either Co-owner. Moreover, Registrant would be at risk of a preclusive effect of such a judgment in subsequent lawsuit. Lastly, Willie Ford and the Estate of Ronald Banks are not sympathetic to the Petitioner's position. They would not likely agree with the cancellation proceeding and have been unofficially "named" as defendants in Petitioner's federal lawsuit as they fit under the allegations of Petitioner's Doe pleadings. See Exhibit 1 to Registrant's Motion to Suspend at ¶¶ 14-25. Therefore, the absence of the Co-owners as petitioners warrants dismissal under Fed. R. Civ. P. 12(b)(7) for failure to join an indispensable party.

In the alternative, Petitioner alleges that The Dramatics singing group acquired a common law trademark of THE DRAMATICS by performing and doing business under the name The Dramatics. Petitioner further alleges that the group formed The Dramatics, LLC, by

an Operations Agreement on November 30, 2007, which named Petitioner, Willie Ford, and Ronald Banks as members of the limited liability company. Therefore, The Dramatics, LLC owns the common law trademark THE DRAMATICS. Petitioner has no independent authority and no legal standing to bring a cancellation action in his own name on behalf of The Dramatics, LLC.¹

II. Petitioner's claim for cancellation based on fraud must be dismissed because it lacks the requisite particularity under Fed. R. Civ. P. 9(b).

Petitioner's fraud pleadings were all made "[u]pon information and belief." (Amended Petition for Cancellation ¶¶ 22-26.) Registrant submits that fraud pleadings based "upon information and belief" are not sufficiently particular under Fed. R. Civ. P. 9(b) to withstand a motion to dismiss. In fact, in a recent unpublished TTAB order, citing Bose, the Board held that "[p]leadings of fraud made 'on information and belief' where there is no separate indication that the pleader has actual knowledge of the facts supporting a claim of fraud are . . . insufficient." Societe Cooperative Vigneronne des Grandes Caves Richon-Le-Zion And Zircon-Jacob Ltd. v. Albrecht-Piazza, LLC, Opposition No. 91190040, order at 5 (T.T.A.B. Sept. 20, 2009) (not precedential) available at <http://ttabvue.uspto.gov/ttabvue/> (citing In re Bose Corp., 91 U.S.P.Q. 2d 1938 (Fed. Cir. 2009)). As such, Petitioner's reliance on the phrase "upon information and

¹ Ironically, even assuming that Petitioner does have authority to bring a cancellation action in his own name on behalf of The Dramatics, LLC, Registrant is an heir to the Estate of Ronald Banks, and she would therefore be a co-owner of the common-law trademark with the other two limited liability members, Petitioner and Willie Ford. One co-owner of a trademark cannot bring an action against another co-owner of a trademark for dilution or infringement. Derminer v. Kramer, 406 F.Supp.2d 756, 758 (E.D. Mich. 2005). Similarly, a trademark co-owner should be unable to bring a cancellation proceeding based upon Section 2(a) or 2(d) against another co-owner. Registrant would refuse to be joined as petitioner against herself. Instead, like actions of one co-owner against another for trademark infringement or dilution, this "claim is best understood as an action for an accounting that arises under state contract law." Id.

belief" rather than actual knowledge is insufficient under the heightened Bose standard, and the fraud claim should be dismissed.

Moreover, Petitioner has pleaded that that Registrant "knew or should have known" that THE DRAMATICS mark was not in use and that her application contained a mark that was false. (Petition for Cancellation ¶ 28.) However, as articulated recently by the Federal Circuit in Bose, the actual standard for a fraud claim is that an applicant knowingly makes a false, material misrepresentation with the intent to deceive the Patent and Trademark Office. Bose, 91 U.S.P.Q. 2d at 1941. The Bose court held that the "should have known" standard employed in some prior Board decisions was erroneous. Id. at 1940. The aforementioned TTAB order, relying on Bose, took the same position, stating that "[t]he Board will not approve pleadings of fraud which rest solely on allegations that the trademark applicant made material representations of fact in its declaration which it 'knew or should have known' to be false or misleading." Societe Cooperative Vigneronne des Grandes Caves Richon-Le-Zion And Zircon-Jacob Ltd. v. Albrecht-Piazza, LLC, Opposition No. 91190040, order at 5 (T.T.A.B. Sept. 20, 2009), available at <http://ttabvue.uspto.gov/ttabvue/> (citing In re Bose Corp., 91 U.S.P.Q. 2d 1938 (Fed. Cir. 2009)). Petitioner's fraud claim makes no factual allegations regarding an intent to deceive the Patent and Trademark Office—as is required under Bose. In addition, Petitioner's pleadings are not sufficiently particular as to the factual circumstances constituting fraud as required by Fed. R. Civ. P. 9(b). See, e.g., King Auto., Inc. v. Speedy Muffler King, Inc., 667 F.2d 1008, 212 USPQ 801, 803 (C.C.P.A. 1981) (stating that "Rule 9(b) requires that the pleadings contain explicit rather than implied expression of the circumstances constituting fraud").

For all of the reasons above, most notably in light of the Federal Circuit's decision in Bose, Petitioner's fraud claims should be dismissed.

WHEREFORE, Registrant respectfully seeks an order from the Board dismissing with prejudice the Amended Petition for Cancellation for failure to join an indispensable party and for failure to plead fraud with particularity.

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