

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

Mailed: January 7, 2014

Cancellation No. 92057182

Stephen R. Enos

v.

Pasquale Rotella, and  
Insomniac Holdings, LLC

**Robert H. Coggins,  
Interlocutory Attorney:**

Now before the Board is petitioner's combined motion (filed November 4, 2013) to join a party defendant and to amend the petition for cancellation<sup>1</sup>, and the parties' stipulated protective agreement (filed November 25, 2013).

Motion to Join

Inasmuch as Registration Nos. 3777422 and 4090760 are the subjects of this proceeding; said registrations were assigned from Pasquale Rotella to Insomniac Holdings, LLC; proof of the assignment has been recorded with the Assignment Services Division of the USPTO at Reel 5052, Frame 0104; and respondent Rotella consents to joinder; the

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<sup>1</sup> Although petitioner titled his motion only as one to amend the petition, it is effectively a combined motion to join and to amend.

motion to join is **granted**. See TBMP § 512.01 (3d ed. rev.2 2013).

Motion to Amend

Inasmuch as respondent Rotella states that he “disputes all factual assertions made by [p]etitioner in the [m]otion” except “to the extent that the [m]otion seeks to” join Insomniac Holdings, LLC, it appears that the portion of petitioner’s motion which seeks to amend the petition for cancellation - other than merely to join Insomniac Holdings, LLC - is contested.

Leave to amend pleadings must be freely given when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. See Fed. R. Civ. P. 15(a); TBMP § 507.02 (3d ed. rev.2 2013). Thus, in deciding petitioner’s motion for leave to amend, the Board must consider whether there is any undue prejudice to respondents and whether the amendment is legally sufficient. See, e.g., *Hurley Int’l LLC v. Volta*, 82 USPQ2d 1339, 1341 (TTAB 2007).

1. Prejudice

The question of whether an adverse party would be prejudiced by allowance of the amended pleading in a Board case is largely dependent on the timing of the motion to amend. For example, the Board will liberally grant such motions when the proceedings are still in the pre-trial

stage. See, e.g., *Cool-Ray, Inc. v. Eye Care, Inc.*, 183 USPQ 618, 621 (TTAB 1974). Here, inasmuch as the motion to amend was filed before the close of discovery, there can be no prejudice to respondents. See, e.g., *United States Olympic Committee v. O-M Bread Inc.*, 26 USPQ2d 1221, 1222 (TTAB 1993) (applicant not prejudiced because proceeding still in pre-trial phase). Indeed, respondents do not allege any prejudice.

## 2. Legal Sufficiency

With regard to the legal sufficiency of the amended petition, the Board finds that the amended pleading sufficiently alleges petitioner's standing, a ground that respondent Rotella is not (and was not upon the filing date of the underlying applications) the rightful owner of the registered marks, and a ground of priority and likelihood of confusion; however, the amended pleading does not sufficiently allege a ground of fraud. In view thereof, the motion to amend is **granted** to the extent **modified** herein.

### a. Standing

As to standing, the amended petition alleges that petitioner created and used, through his company, the common law trademark Electric Daisy Carnival in the United States for dance music festivals at least as early as 1991 or 1992 (para. 8); petitioner granted to respondent Rotella an oral license to use the trademark Electric Daisy Carnival in the

United States for dance music festivals and events (para. 10); petitioner has not abandon ownership of his trademark (paras. 11 and 13); EDC is an acronym for Electric Daisy Carnival (para. 12); and the subject marks are either identical or similar to petitioner's mark (para. 13). Thus, petitioner has sufficiently alleged a real interest in this proceeding. *See, e.g., Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982). Indeed, respondents do not directly challenge petitioner's standing.

b. Ownership

In addition to the allegations outlined in the "standing" section, *supra*, the amended petition alleges that petitioner is the rightful owner of the subject registrations and respondent Rotella was not authorized to register the marks or to assign the marks to respondent Insomniac Holdings, LLC (para. 7); and that Rotella is not, and was not at the time of filing the subject applications, the owner of either trademark (para. 14). Thus, petitioner has sufficiently alleged the ground that respondents are not (and were not at the time of the filing of the applications for registration) the rightful owners of the registered marks. Indeed, respondents do not directly challenge this ground.

c. Priority and Likelihood of Confusion

Petitioner's allegations outlined in the "standing" section, *supra*, are sufficient to allege a ground of priority and likelihood of confusion. *See, e.g., In re E. I. duPont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). Indeed, respondents do not directly challenge this ground.

d. Fraud

The Court of Appeals for the Federal Circuit has held that a trademark registration is obtained, or maintained, fraudulently only if the respondent knowingly makes a false, material representation with the intent to deceive the Office. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). Under Fed. R. Civ. P. 9(b), any allegations of fraud based upon "information and belief" must be accompanied by a statement of facts upon which the belief is founded. *See Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 91 USPQ2d 1656, 1670 n.7 (Fed. Cir. 2009); *Meckatzer Lowenbrau Benedikt Weiss KG v. White LLC*, 95 USPQ2d 1185 (TTAB 2010). In the amended petition, petitioner alleges that he "believes" one of respondents' applications (i.e., Registration No. 3777422) constitutes a fraud on the Office. *See* para. 16.

In order to properly plead a claim of fraud in a trademark cancellation proceeding, a petitioner must allege with particularity that the respondent knowingly made a false,

material misrepresentation when applying for a trademark registration, or when renewing a registration, with intent to deceive the USPTO. *Enbridge Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537, 1540 (TTAB 2009). It is the preferred practice of the Board that the element of intent be pled specifically, but intent, as a condition of mind of a person, may be averred generally. Fed. R. Civ. P. 9(b); see also *DaimlerChrysler Corp. v. American Motors Corp.*, 94 USPQ2d 1086, 1089 (TTAB 2010) (finding allegations of material misrepresentations knowingly made to procure a registration constitute sufficient allegation of intent element for pleading fraud).

Paragraph 16 of the amended petition is the sole paragraph in which the word "fraud" appears in the amended petition.<sup>2</sup> Paragraph 16 states:

Petitioner believes that Respondent Rotella's application for trademark registration of Electric Daisy Carnival constitutes a fraud on the United States Patent and Trademark Office because the application fails to disclose prior use by Petitioner which was known to Rotella; fails to disclose that Rotella's use of Electric Daisy Carnival was by permission and license granted by Petitioner; and states that first use of the trademark was as early as 03/00/1997 when Respondent Rotella had personal knowledge of actual prior usage for similar services by Petitioner.

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<sup>2</sup> Petitioner checked the box for "fraud" on the ESTTA cover sheet filed with the original petition, thereby indicating that fraud was a ground for cancellation when the original petition was filed.

Petitioner's specific theory of fraud is unclear. To the extent petitioner has attempted to claim that the declaration or oath in respondent's application for registration was executed fraudulently, in that there was another use of the same or a confusingly similar mark at the time the oath was signed, petitioner is informed that he must clearly allege particular facts which, if proven, would establish that: (1) there was in fact another user (petitioner, here) of the same or a confusingly similar mark at the time the oath was signed; (2) the other user had legal rights superior to respondent's; (3) respondent knew that the other user had rights in the mark superior to respondent's, and either believed that a likelihood of confusion would result from respondent's use of his mark or had no reasonable basis for believing otherwise; and that (4) respondent, in failing to disclose these facts to the Patent and Trademark Office, intended to procure a registration to which it was not entitled. *Qualcomm Inc. v. FLO Corp.*, 93 USPQ2d 1768 (TTAB 2010); *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203 (TTAB 1997).

To the extent petitioner has attempted to claim that respondent committed fraud by deceiving the Office as to the ownership of the mark, it appears that the allegation of fraud serves merely to amplify the ground of respondent's non-

ownership of the mark, but is not legally sufficient to plead fraud as a separate ground.<sup>3</sup>

Inasmuch as the amended petition does not clearly and sufficiently allege a claim of fraud, the Board *sua sponte* **strikes** paragraph 16 from the amended petition.

### 3. Leave to Replead

As noted hereinabove, leave to amend is freely given when justice so requires. See Fed. R. Civ. P. 15(a). Such leave is appropriate in this instance, where the Board has stricken allegations from the amended petition. In view thereof, petitioner is allowed until **February 7, 2014**, in which to file a second amended petition for cancellation; failing which, this proceeding will continue under the first amended petition, as stricken. Respondents are allowed until **March 7, 2014**, in which to file an answer to the second amended petition, if one is filed, or to the first amended petition (as stricken) if no second amended petition is filed.

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<sup>3</sup> It is difficult to see the point of petitioner's proposed fraud claim related to ownership. In order to prevail, petitioner would have to prove (1) that respondent Rotella was not the owner of the mark and (2) that respondent Rotella nonetheless knowingly submitted his false statement to the USPTO with the intention that he be issued a registration to which he would not otherwise be entitled. However, petitioner has already alleged (1) as a separate ground which, if proven, would be sufficient to prevent registration, rendering proof of the additional requirements of a fraud claim based on ownership unnecessary.



Protective Order

The stipulated protective agreement (filed on November 23, 2013, by respondents) is **noted**. The parties are referred, as appropriate, to TBMP §§ 412.03 (3d ed. rev.2 2013) (Duration of Protective Order), 412.04 (Filing Confidential Materials With Board), and 412.05 (Handling of Confidential Materials by Board).

The parties are advised that only confidential or trade secret information should be filed pursuant to a stipulated protective agreement. Such an agreement may not be used as a means of circumventing Trademark Rules 2.27(d) and (e), which provide, in essence, that the file of a published application or issued registration, and all proceedings relating thereto, should otherwise be available for public inspection.

Schedule

Dates are **reset** on the following schedule.

Second Amended Petition Due, if Filed	2/7/2014
Answer Due	3/7/2014
Discovery Closes	4/5/2014
Plaintiff's Pretrial Disclosures	5/20/2014
Plaintiff's 30-day Trial Period Ends	7/4/2014
Defendant's Pretrial Disclosures	7/19/2014
Defendant's 30-day Trial Period Ends	9/2/2014
Plaintiff's Rebuttal Disclosures	9/17/2014
Plaintiff's 15-day Rebuttal Period Ends	10/17/2014

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.