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

Proceeding	92061951
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

CHUTTER, INC.,	)	
	)	
Petitioner,	)	CANCELLATION NO. 92061951
	)	
v.	)	
	)	
GREAT CONCEPTS, LLC,	)	
	)	
	)	
	)	
Registrant.	)	
_____	)	

**GREAT CONCEPTS, LLC’S MEMORANDUM OF POINTS AND AUTHORITIES IN  
SUPPORT OF ITS MOTION TO DISMISS CHUTTER, INC.’S PETITION TO CANCEL  
UNDER FEDERAL RULE OF CIVIL PROCEDURE 12(b)(6)**

Pursuant to Federal Rule of Civil Procedure 12(b)(6), Registrant Great Concepts, LLC (“Great Concepts”) moves dismiss Petitioner Chutter, Inc.’s (“Petitioner”) Petition to Cancel Great Concept’s Registration No. 2,929,764 (the “Registration”), because Petitioner failed to allege sufficient facts in its Petition to Cancel to support its claim for fraud. Even if it had sufficiently pled its claim for fraud, Petitioner would be unable to bring the claim due the doctrine of res judicata and because Petitioner lacks standing.

Aside from conclusory recitals of some of the elements of fraud, Petitioner has not alleged any facts to indicate that the statements complained of (i) were made willfully in bad faith or (ii) could plausibly have been material to Great Concepts’s registration status. In any event, since Petitioner’s predecessor-in-interest previously filed a petition to cancel the Registration on the basis of a mark for “restaurant services” that resulted in a final judgment on the merits, any claim that Petitioner had, or could have had, based on its application for the mark DAN TANA’S for “restaurant services” is precluded under the doctrine of res judicata. Finally, Petitioner has not alleged sufficient facts to support its standing relating to its application for the

mark DAN TANA'S for "marinara sauce," because Petitioner could not have been damaged without a priority use in the mark. As a result, even if the Petition is not precluded, each allegation of the Petition is taken as true, and all reasonable inferences from the allegations of the Petition are drawn in Petitioner's favor, Petitioner would still lack both legal grounds and standing to support its Petition.

## **I. FACTS AND PROCEDURAL BACKGROUND**

On March 1, 2005, the United States Patent and Trademark Office issued Registration No. 2,929,764 to Great Concepts for the mark DANTANNA'S in connection with steak and seafood restaurants in International Class 43 (the "Registration"). Petition to Cancel, ¶ 9.

On June 6, 2006, Petitioner's predecessor-in-interest, Dan Tana ("Tana"), filed with the Trademark Trial and Appeal Board ("TTAB") a petition to cancel the Registration, Cancellation No. 92045947 (the "Prior Cancellation Proceeding"), which involved Great Concepts's right to register and use the mark DANTANNA'S for "restaurant services." Petition to Cancel, ¶¶ 1, 10.

On March 13, 2008, Petitioner's predecessor-in-interest Tana commenced a civil action for infringement against Great Concepts in the United States District Court for the Northern District of Georgia, Civil Action No. 1:08-CV-975-TWT (the "Civil Action"), which also involved Great Concepts's right to register and use the mark DANTANNA'S for "restaurant services." Petition to Cancel, ¶ 10.

On March 8, 2010, while the Prior Cancellation Proceeding and the Civil Action were still pending, Great Concepts's counsel, Frederick K. Taylor, signed and filed with the USPTO on behalf of Great Concepts a "Combined Declaration of Use and Incontestability under Sections 8 & 15" (the "Declaration") with respect to the Registration. Petition to Cancel, ¶ 22. The Declaration incorrectly stated that, at the time, there were no pending proceedings involving Great Concepts's rights in the Registration. Petition to Cancel, ¶¶ 23, 28.

The Civil Action subsequently ended after the U.S. Court of Appeals for the Eleventh Circuit issued a mandate on August 13, 2010 for its opinion affirming the district court's judgment and order granting summary judgment in favor of Great Concepts. Petition to Cancel, ¶¶ 13-16.

On September 1, 2010, only a few months after he filed the Declaration, Mr. Taylor filed a request with the TTAB to resume the Prior Cancellation Proceeding against Great Concepts's Registration. (Petition to Cancel, ¶¶ 18, 35). Despite having at least constructive notice of the Declaration filed on March 8, 2010, Petitioner's predecessor-in-interest Tana made no attempt to amend its petition in the Prior Cancellation Proceeding to include fraud as a ground for cancellation. *See* Petition to Cancel, generally.

Subsequently, the Prior Cancellation Proceeding ended when the TTAB entered an Order terminating the proceeding on December 14, 2010, as a result of default by Petitioner's predecessor-in-interest Tana. Petition to Cancel, ¶ 19. The TTAB's order stated as follows: "In view of petitioner's failure to respond to the order to show cause that the Board issued on October 26, 2010, the petition to cancel is dismissed with prejudice based on petitioner's apparent loss of interest." *See* TTAB's Order Dismissing Cancellation No. 92045947 with Prejudice, December 14, 2010.

Under Section 8 of the Lanham Act, 15 U.S.C. § 1058 and Section 15 of the Lanham Act, 15 U.S.C. § 1065, Great Concepts was allowed to file a declaration of continuing use and/or a declaration of incontestability for the Registration at any time between March 1, 2010 and March 1, 2011. Petition to Cancel, ¶¶ 20, 21.

Despite the fact that the Northern District of Georgia and the Eleventh Circuit both ruled against Petitioner in the Civil Action (Petition to Cancel, ¶¶ 13,16), and the fact that the TTAB dismissed Petitioner's Prior Cancellation Action with prejudice (Petition to Cancel, ¶ 19), Petitioner has since filed application Serial No. 86-452,290 for the mark DAN TANA'S for "restaurant services" in International Class 43 on November 12, 2014. (Petition to Cancel, ¶ 6).

Petitioner has also filed application Serial No. 86-452,328<sup>1</sup> for the mark DAN TANA'S for "marinara sauce" in International Class 30 on November 12, 2014. (Petition to Cancel, ¶ 6). For the marinara sauce application, Petitioner claims a first use date of January 5, 2012 and a first use in commerce date of August 12, 2013. *See* USPTO record for application Serial No. 86-452,328.

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<sup>1</sup> Petitioner appears to have mistakenly referred to application Serial No. 86-452,382 in its Petition to Cancel.

Finally, on July 29, 2015, Petitioner filed the present Petition to Cancel Great Concept's Registration on the ground of fraud. *See* Petition to Cancel, ¶ 45.

## II. LEGAL STANDARD

A Rule 12(b)(6) motion to dismiss for failure to state a claim upon which relief can be granted is a test of the legal sufficiency of a complaint or petition. *See Covidien LP v. Masimo Corp.*, 109 USPQ2d 1696, 1697 (TTAB 2014). To survive a motion to dismiss, a petition must contain sufficient factual matter to “state a claim to relief that is plausible on its face.” *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). A petitioner's “obligation to provide the grounds of its entitlement to relief requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do.” *Id.*, at 555 (internal quotations omitted). Allegations in a party's complaint “must be enough to raise a right to relief above the speculative level.” *Id.* While the court must accept factual allegations in the complaint as true and construe pleadings in favor of the non-moving party, the court need not accept conclusory statements not supported by factual allegations. *Ashcroft v. Iqbal*, 556 U.S. 662, 678-79 (2009). Rather, a claim “must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face.” *Id.* at 678.

In considering a Rule 12(b)(6) motion, “[a] court may... consider certain materials—documents attached to the complaint, documents incorporated by reference in the complaint, or matters of judicial notice—without converting the motion to dismiss into a motion for summary judgment.” *United States v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003). The court may also consider documents under the “incorporation by reference” doctrine in “situations in which the plaintiff's claim depends on the contents of a document, the defendant attaches the document to its motion to dismiss, and the parties do not dispute the authenticity of the document, even though the plaintiff does not explicitly allege the contents of that document in the complaint.” *Knievel v. ESPN*, 393 F.3d 1068, 1076 (9th Cir. 2006) (citation omitted). Further, the Court may properly consider the pleadings and orders already filed in this action, without need for a request for judicial notice. *Beal v. Royal Oak Bar*, No. C13-04911LB, 2014 WL 1678015, at \*2 n2

(N.D. Cal. Apr. 28, 2014) (stating “Defendants also filed a request for judicial notice that asks the court to take judicial notice of pleadings and orders already filed in this action...Because these documents are already filed in the docket for this action, it is unnecessary for the court to take judicial notice of them.”). Finally, in Board proceedings, there are certain facts not subject to proof – such as the filing date, filing basis, publication date and applicant’s name in an application that is the subject of an opposition proceeding – that the Board may consider when a party has filed a motion to dismiss under Fed. R. Civ. P. 12(b)(6). *Compagnie Gervais Danone v. Precision Formulations LLC*, 89 USPQ 2d 1251, 1256 (TTAB 2009).

Further, in order to defeat this motion, Petitioner must “have alleged such facts as would, if proved, show that petitioner has standing to petition for cancellation of the registered marks and that a statutory ground for canceling such registration exists. *Western Worldwide Enterprises Group, Inc. v. Qinqado Brewery and China National Cereals, Oils, and Foodstuffs Import and Export Corporation*, 17 U.S.P.Q.2d 1137, \*7-8 (T.T.A.B. 1990); *see also Rickson Gracie, LLC v. Gracie*, 67 U.S.P.Q.2d 1702 (T.T.A.B. 2003); *Scotch Whisky Association v. United States Distilled Products Co.*, 13 U.S.P.Q.2d 1711 (T.T.A.B. 1989). Petitioner’s claims, which are filled with conclusory allegations, cannot survive under this legal standard and should be dismissed.

### **III. PETITIONER HAS FAILED TO ALLEGE SUFFICIENT FACTS TO SUPPORT A CLAIM FOR FRAUD.**

Petitioner failed to allege sufficient facts upon which its claim of fraud could be based against Great Concepts. In particular, Petitioner has not alleged any facts to indicate that the statements complained of (i) were made willfully in bad faith or (ii) could plausibly have been material to Great Concepts’s registration status.

In alleging fraud, a party must state with particularity the circumstances constituting fraud. Fed. R. Civ. Proc. 9(b). This means that a mere conclusory allegation that trademark registration rights were obtained or maintained by fraud is not sufficient. *San Juan Products, Inc. v. San Juan Pools of Kansas, Inc.*, 849 F.2d 468, 472, 7 U.S.P.Q.2d 1230, 1233 (10th Cir. 1988) (“The district court’s finding fraud in the procurement of the registration is undercut by Lien’s failure to properly

plead fraud in the counterclaim. Rule 9(b) of the Federal Rules of Civil Procedure appears to have been entirely overlooked or ignored. Nevertheless, fraud in the procurement must be alleged with specificity as required by Rule 9(b), both in federal court and in PTO administrative proceedings.”); *Havana Club Holding, S.A. v. Galleon*, 49 U.S.P.Q. 2d 1296, 1998 WL 150983 (S.D. N.Y. 1998); *Iowa Health System v. Trinity Health Corp.*, 177 F. Supp. 2d 897, 917 (N.D. Iowa 2001) (allegations of fraud on the PTO held not to satisfy Rule 9(b) because the allegations were based on information and belief and were not accompanied by a statement of the facts on which the belief was founded); *Bauer Bros. LLC v. Nike, Inc.*, 98 U.S.P.Q.2d 1160, 2011 WL 843971 (S.D. Cal. 2011) (allegations of fraud in an alleged false oath of no other party with a right to use was not alleged with the particularity required by Rule 9(b).) *King Automotive, Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 1010, 212 U.S.P.Q. 801 (C.C.P.A. 1981) (“While Rule 9(b) does not require the pleading of detailed evidentiary matters, we agree with the board that appellant has not stated with sufficient specificity the factual bases for its allegations of appellee’s fraudulent misrepresentation to the PTO.... Rule 9(b) requires that the pleadings contain explicit rather than implied expression of the circumstances constituting fraud.”).

**A. Petitioner Failed to Allege Any Facts to Show that Great Concepts’s Counsel Made the Statements Willfully in Bad Faith.**

Although Petitioner pleads that the Declaration constitutes fraud, Petitioner has failed to allege any facts to suggest that Great Concepts’s counsel made the alleged false statements willfully in bad faith. It is “well established” that in order to state a claim upon which relief can be granted on the ground of fraud, a petitioner must assert that the statements complained of were made “willfully in bad faith.” *Crown Wallcovering Corporation v. the Wall Paper Manufacturers Limited*, 188 U.S.P.Q. 141, 144 (T.T.A.B. 1975); *National Tuberculosis Ass’n v. Summit County Tuberculosis & Health Ass’n*, 122 F. Supp. 654, 101 U.S.P.Q. 387 (D. Ohio 1954) (must be false statement “made in bad faith with fraudulent purpose and intent to secure a registration by deception”). There is “a material legal distinction between a ‘false’ representation and a ‘fraudulent’ one, the latter involving an intent to deceive, whereas the former may be occasioned

by a misunderstanding, an inadvertence, a mere negligent omission, or the like.” *In re Bose Corp.*, 580 F.3d 1240, 1244 (Fed. Cir. 2009). “Intent to deceive must be ‘willful.’ If it can be shown that the statement was a ‘false misrepresentation’ occasioned by an ‘honest’ misunderstanding, inadvertence, negligent omission or the like rather than one made with a willful intent to deceive, fraud will not be found.” *Smith International, Inc. v. Olin Corp.*, 209 U.S.P.Q. 1033, 1043 (T.T.A.B. 1981) (emphasis added).

In this case, Petitioner has merely recited the conclusory allegations that Mr. Taylor knowingly made a Declaration to the USPTO that was false, and therefore his actions constitute fraud. Petition to Cancel, ¶¶ 28, 30-32, 36, 42-44. As an initial matter, Petitioner fails to allege any facts showing that the statements in the Declaration were not inadvertent. Petitioner only makes the conclusory allegation that it was knowingly false. Further, Petition does not allege any demonstrable facts suggesting that Mr. Taylor made the Declaration “willfully in bad faith.” *See Crown Wallcovering Corporation*, 188 U.S.P.Q. at 144; *Bose*, at 1246. To the contrary, Petitioner even alleged that Mr. Taylor subsequently filed a request with the TTAB to resume the Prior Cancellation Proceeding only a few months after he filed the Declaration. (Petition to Cancel, ¶¶ 18, 22, 35). This conduct is inconsistent with a willful intent to deceive the USPTO in bad faith; that is, it does not demonstrate an attempt to willfully conceal the existence of the Civil Action from the USPTO. Rather, it clearly suggests a good faith willingness to reengage with Petitioner’s attempts to cancel Great Concepts’s Registration in the Prior Cancellation Proceeding, even after the Northern District of Georgia and the Eleventh Circuit ruled against Petitioner in the Civil Action. *See* Petition to Cancel, ¶¶ 13-16.

Petitioner is required to state a claim that is “plausible on its face.” *Twombly*, 550 U.S. at 570. However, the allegations contained in the Petition to Cancel cannot plausibly suggest the willful bad faith necessary to support a claim for fraud. Aside from bare conclusory recitals of the elements of fraud, the allegations suggest nothing more than honest inadvertence.

**B. Petitioner Failed to Allege Any Facts to Show that the Statements Made in the Declaration Were Material to Great Concepts’s Registration Status.**



In addition to failing to allege a willful bad faith by Great Concepts's counsel, Petitioner has failed to allege any facts to suggest that the statements made in the Declaration were in any way material to the Registration's status. Nothing in the Petition plausibly suggests how the Registration's status would differ if either Declaration had accurately stated that there were pending proceedings or if the Declaration had been filed a later point in time when there were no longer pending proceedings.

To constitute "fraud," a knowing misrepresentation to the USPTO must be "material" in the sense that it was "vital to overcoming the ground of rejection." *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881 (C.C.P.A. 1969). Specifically, a material misrepresentation is "one that would have affected the PTO's action" on the registration. *Halo Mgmt., LLC v. Interland, Inc.*, 308 F.Supp.2d 1019, 1031 (N.D. Cal. 2003) (quoting *Orient Express Trading Co. v. Federated Dep't Stores, Inc.*, 842 F.2d 650, 653 (2d Cir. 1988)); *Smith Int'l, Inc. v. Olin Corporation*, 209 U.S.P.Q. 1033, at \*7 (T.T.A.B. 1981) (a material misrepresentation arises only when the registration sought or to be maintained would have been disallowed if the truth were known to the examiner); *William Grant & Sons, Inc. v. National Distillers & Chemical Corp.*, 173 U.S.P.Q. 813 (T.T.A.B. 1972) (even if applicant knew of a prior registration of the same mark, there is no material fraud since examiner is presumed to know of prior registrations and could not be misled by possibly false oath); *Hecon Corp. v. Magnetic Video Corp.*, 199 U.S.P.Q. 502, 1978 WL 21245 (T.T.A.B. 1978) (a misstatement as to the date of first use of a mark is immaterial so long as there was some use prior to making the use-based application); *Pennwalt Corp. v. Sentry Chemical Co.*, 219 U.S.P.Q. 542 at \*13 (T.T.A.B. 1983) ("[E]ven had [the registrant] made a full disclosure, such disclosure would not have resulted in a proper refusal of registration.").

Petitioner's allegations conclusorily claim only that "but for" the filing of the Declaration, the Registration would have been cancelled, and that the Declaration "was material" with respect to the continued validity of the registration and its incontestable status. Petition to Cancel, ¶¶ 40-41. However, Petitioner fails to elaborate with any factual assertions beyond speculation for how or why the false statements in the Declaration actually were material. To the contrary, Petitioner's

allegations suggest only that Petitioner persistently fought a losing battle to cancel Great Concept's Registration in the Civil Action and the Prior Cancellation Proceeding. Petition to Cancel, ¶¶ 13-16, 19. Petitioner provides no reasonable basis or rationale for why the USPTO would have radically changed course and cancelled the Registration if the Declaration had correctly identified the pending proceedings. The pleading stage requires "allegations plausibly suggesting (not merely consistent with)" fraud in order to "possess enough heft to show that the pleader is entitled to relief." *Twombly*, 550 U.S. at 557. Aside from vaguely alluding to "benefits" that Great Concepts could obtain, the Petition to Cancel fails to suggest any plausible incentive to submit a false Declaration. Because the Petition does not – and likely could not – explain how Great Concepts would have lost its Registration if it had correctly identified the pending proceedings, the Petition does not plausibly suggest that fraud occurred.

Nor do Petitioner's allegations provide a reasonable basis or plausible suggestion for why the USPTO would have changed course and cancelled the Registration if the Declaration had, in fact, been filed after the proceedings were no longer pending. Instead, Petitioner acknowledges that Great Concepts still had ample time to successfully obtain the Combined Notice from the TTAB after both the Civil Action and the Prior Cancellation Proceeding ended. Petitioner notes that under Section 8 of the Lanham Act, 15 U.S.C. § 1058 and Section 15 of the Lanham Act, 15 U.S.C. § 1065, Great Concepts was allowed to file a declaration of continuing use and/or a declaration of incontestability for the Registration at any time between March 1, 2010 and March 1, 2011. Petition to Cancel, ¶¶ 20, 21. Thus, although Great Concepts actually filed the Declaration on March 8, 2010 before the Prior Cancellation Action and the Civil Action had fully completed by December 14, 2010, Great Concepts still had months to spare before the March 1, 2011 deadline to file the Declaration. Petition to Cancel, ¶¶ 13-16, 19. As a result, based on Petitioner's own allegations, if Great Concepts's Declaration were in fact filed at any time between December 14, 2010 and the March 1, 2011 deadline, there would have been no material difference in Great Concepts's registration status.

As a matter of logic, it is difficult to grasp how a declaration made *to the USPTO* stating "there is no proceeding involving [the owner's right to register] pending and not disposed of either in

the U.S. Patent and Trademark Office” could even potentially be a material misrepresentation instead of an honest mistake. *See* Petition to Cancel, ¶23. The TTAB has previously held that “there is no fraud on the Office by reason of a failure to disclose information to the Examining Attorney of which the Examining Attorney is aware.” *Space Base Inc.*, 17 U.S.P.Q.2d 1216 (P.T.O. Sept. 11, 1990). In that case, because “the Examining Attorney presumably was aware of the existence of applicant’s prior pending application and of opposer’s opposition thereto at the time the Examining Attorney approved opposer’s application for publication,” the TTAB found that the pleading could not state grounds upon which relief can be granted for a fraud claim. *Id.* Much like in *Space Base*, there can be no fraud on the Office by reason of Great Concepts’s Declaration, since the USPTO is presumed to already be aware of which proceedings are pending before it. Therefore, most sensible explanation is that the contents of the Declaration were the result of an inadvertent oversight, rather than a material misrepresentation.

**IV. ANY CLAIM PETITIONER COULD HAVE BROUGHT REGARDING GREAT CONCEPT’S MARK FOR “RESTAURANT SERVICES” IS PRECLUDED UNDER THE DOCTRINE OF RES JUDICATA.**

Furthermore, Petitioner is unable to bring a Petition to Cancel based on its application for the mark DAN TANA’s for “restaurant services,” through application Serial No. 86-452,290 or any other application to register such a mark, because of the doctrine of res judicata. Petitioner already raised – and lost on the merits – the same claim against Great Concepts in its predecessor-in-interest Tana’s “Prior Cancellation Proceeding.”

Under the doctrine of res judicata or claim preclusion, the entry of a final judgment “on the merits” of a claim (i.e., cause of action) in a proceeding serves to preclude the relitigation of the same claim in a subsequent proceeding between the parties or their privies, even in those cases where prior judgment was the result of a default or consent. *See Lawlor v. National Screen Service Corp.*, 349 U.S. 322, 75 S.Ct. 865, 99 L.Ed. 1122 (1955); *Chromalloy American Corp. v. Kenneth Gordon, Ltd.*, 736 F.2d 694, 222 USPQ 187 (Fed. Cir. 1984); and *Flowers Industries, Inc. v. Interstate Brands Corp.*, 5 USPQ2d 1580 (TTAB 1987). A second suit will be barred by claim preclusion if there is: (1) identity of parties (or their privies); (2) an earlier final judgment

on the merits of a claim; and (3) a second claim based on the same set of transactional facts as the first. *Jet Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000).

The first element of claim preclusion is met because the parties to the “Prior Cancellation Proceeding” were the same parties as those in the present Petition to Cancel. As alleged by Petitioner in its present Petition to Cancel, “Petitioner is the owner, by assignment from its predecessor Dan Tana (“Tana”), of all rights in and to the mark DAN TANA’S for restaurant services.” Petition to Cancel, ¶ 1. Therefore, Petitioner (the party seeking the cancellation in this action) is in privity with Dan Tana (the party that sought the cancellation in the last action). Moreover, Petitioner alleged that both “Petitioner’s predecessor Tana and Registrant were engaged in [the Prior Cancellation Proceeding] in which Registrant’s right to register and use the mark DANTANNA’S for restaurant services were involved.” Petition to Cancel, ¶ 10. As a result, both Petitioner and Great Concepts were parties to both the Prior Cancellation Action and the present Petition to Cancel.

Similarly, the second element of claim preclusion is met, because there was a final judgment on the merits in the Prior Cancellation Action. Whether the judgment in the prior proceeding was the result of a dismissal with prejudice or even default, it is a final judgment on the merits for claim preclusion purposes. *The Urock Network, LLC*, 115 U.S.P.Q.2d 1409 (TTAB 2015) (citing *Morris v. Jones*, 329 U.S. 545, 550-51 (1947) (“A judgment of a court having jurisdiction of the parties and of the subject matter operates as res judicata, in the absence of fraud or collusion, even if obtained upon a default.”) (citation omitted); *Wells Cargo, Inc. v. Wells Cargo, Inc.*, 606 F.2d 961, 203 USPQ 564, 566 (CCPA 1979) (“Default judgments generally operate as res judicata....”) (citations omitted); *see also Orouba Agrifoods Processing Co. v. United Food Import*, 97 USPQ2d 1310, 1314-15 (TTAB 2010) (granting summary judgment to registrant on claim preclusion where petitioner’s prior opposition had been dismissed with prejudice for failure to prosecute the case). Here, the Prior Cancellation Action resulted in a dismissal with prejudice based on Petitioner’s failure to respond to the Board’s order to show cause and “apparent loss of interest.” Petition to Cancel, ¶ 19; *see also*

TTAB's Order Dismissing Cancellation No. 92045947 with Prejudice, December 14, 2010. Therefore, the Prior Cancellation Action would qualify as an earlier final judgment on the merits for purposes of claim preclusion.

Finally, the third element of claim preclusion is met because the present Petition to Cancel is based on the same set of transactional facts as the Prior Cancellation Action. Both cancellation actions have sought the cancellation of Registration Number 2,929,764. Petition to Cancel, p. 1 and ¶ 10. Thus, at a minimum, the Prior Cancellation Action precludes Petitioner from bringing any claim to cancel the Registration that stems from Petitioner's application to register the DAN TANA's mark for restaurant services in International Class 43. Petition to Cancel, ¶ 6. However, the doctrine of res judicata bars not only the claims that were raised, but also those that "could have been raised" in the action. *Rivet v. Regions Bank of La.*, 522 U.S. 470, 476 (1998). Despite having notice of the Declaration filed on March 8, 2010, Petitioner's predecessor-in-interest Tana made no attempt to amend its petition in the Prior Cancellation Proceeding to include fraud in the Declaration as a ground for cancellation. See Petition to Cancel, generally. Therefore, as Petitioner even alleges that the Prior Cancellation Action involved "Registrant's right to register and use the mark DANTANNA'S for restaurant services" generally (Petition to Cancel, ¶ 10), Petitioner is likewise precluded from bringing any claim to cancel Great Concepts's right to register and use the mark DANTANNA'S on the ground of fraud, including a claim stemming from Petitioner's application Serial No. 86-452,382 for marinara sauce. (Petition to Cancel, ¶ 6). Consequently, the entire Petition to Cancel is precluded under the doctrine of res judicata.

**V. BECAUSE PETITIONER'S APPLICATION TO REGISTER THE MARK FOR "MARINARA SAUCE" DOES NOT HAVE PRIORITY, IT CANNOT BE A BASIS FOR DAMAGES WITH WHICH TO ESTABLISH PETITIONER'S STANDING.**

As previously discussed, the Board should preclude Petitioner's entire Petition to Cancel on the basis of res judicata because of Petitioner's Prior Cancellation Action. But even in the event that the Board precludes only Petitioner's claim as it stems from its application Serial No. 86-452,290 for the mark DAN TANA's for "restaurant services," Petitioner has still failed to sufficiently plead its standing to file the Petition to Cancel as it stems from its application Serial

No. 86-452-328 to register the DAN TANA'S mark for "marinara sauce" because the mark lacks priority of use. Therefore, no damages could possibly result from any alleged invalidity of the Registration. As a matter of law, there is no possible basis to support Petitioner's conclusory allegations of damages relating to this application.

Any party who believes that it is or will be damaged by a registration may file a petition for cancellation of the registration. 37 C.F.R. § 2.111(b). The petition for cancellation must set forth a short and plain statement showing why the petitioner believes it is or will be damaged by the registration and state the ground for cancellation. 37 C.F.R. § 2.112(a).

Standing "*is determined from a reading of the allegations made in good faith in the pleading.*" The purpose of requiring allegations that demonstrate standing is to preclude meddlesome parties from instituting proceedings as self-appointed guardians of the purity of the Register." *Lipton Industries, Inc. v. Ralston Purina Company*, 213 U.S.P.Q. 185, 188 (C.C.P.A. 1982) (emphasis in original). To establish standing, the petitioner must demonstrate that it has (1) a "real interest" in the proceeding and (2) a "reasonable basis for its belief of damage." *Id.* at 189; *Ritchie v. Simpson*, 50 U.S.P.Q.2d 1023, 1125 (Fed. Cir. 1999) (stating that the belief of damage alleged by plaintiff must be more than a subjective belief).

To have a "real interest" in the action, the Petitioner must show that it "has a direct and personal stake in the outcome" of the proceeding. *Ritchie, supra*, 50 U.S.P.Q.2d at 1026-1026; *see also, Star-Kist Foods, Inc. v. P.J Rhodes & Co.*, 222 U.S.P.Q. 674, 676 (9th Cir. 1984). To have a "reasonable basis for its belief in damages" the Petitioner must show that its belief has a "reasonable basis in fact." *Id.* at 1027; *see also, Star-Kist, supra*, 222 U.S.P.Q. at 676. As an example, a petitioner may show a real interest in the proceeding and a reasonable belief in damages when it pleads a claim of likelihood of confusion with a mark and that it has priority. *Lipton, supra*, 213 U.S.P.Q. at 189-190; *see also, Star-Kist, supra*, 222 U.S.P.Q. at 676; *Liberty Trouser Co., Inc. v. Liberty & Co., Ltd.*, 222 U.S.P.Q. 357, 358 (T.T.A.B. 1983) ("petitioner's averments of likelihood of confusion between the respective marks and damage resulting therefrom will be accepted as

proper allegations of the standing of the petitioner with respect to the pleaded grounds of fraud and abandonment.”).

Petitioner failed to allege sufficient facts in its Petition to support its standing. *See* Petition to Cancel, generally. The only statements in the Petition that conceivably have anything to do with standing are the following:

- “CHUTTER, INC., ... (‘Petitioner’), believes that it has been and will be damaged by Registration No. 2,929,764 for the mark DANTANNA’S for steak and seafood restaurant services (the ‘Registration’) ... ” Petition to Cancel, p. 1.
- “Petitioner has a real interest in continuing to use the mark DAN TANA’S for restaurant services, pasta sauces and related goods in the United States.” Petition to Cancel, ¶ 3.
- “Petitioner and its predecessor Tana have also filed, at various times, applications to register the DAN TANA’S mark for restaurant, cafe and bar services in International Class 43 and for pasta sauces and salad dressings, in International Class 30, which applications have been refused by the Patent and Trademark Office based on an alleged likelihood of confusion with the mark shown in the Registration.” Petition to Cancel, ¶ 5.
- “On March 4, 2015, the U.S. Patent and Trademark Office (‘USPTO’) issued Office Actions refusing Petitioner’s Pending Applications under Section 2(d) because of the Registration.” Petition to Cancel, ¶ 7.
- “Petitioner has been damaged, is being damaged, and will continue to be damaged by the Registration.” Petition to Cancel, ¶ 8.

Firstly, although Petitioner recites the conclusory allegations that it “has a real interest” that “has been damaged and will be damaged” by the Registration, Petitioner fails to allege any reasonable basis for this subjective belief. At most, Petitioner has attempted to allege a likelihood of confusion between Great Concepts’s mark DANTANNA’S and Petitioner’s mark DAN TANA’S. However, Petitioner's pleading clearly falls short of pleading likelihood of confusion, as the petition only pleads fraud as a ground for cancellation. Petition to Cancel, ¶ 45. Also, even if Petitioner were claiming likelihood of confusion, Petitioner clearly does not have priority: Petitioner’s application

Serial No. 86-452,382 for the mark DAN TANA’S for marinara sauce in International Class 30 only claims a first use date of January 5, 2012 and a first use in commerce date of August 12, 2013, which were over six years after the Registration was issued to Great Concepts. *See* USPTO record for application Serial No. 86-452,328. Even the Declaration predated the first use of Petitioner’s mark for DAN TANA’S for marinara sauce by almost two years. *See* Petition to Cancel, ¶ 22.<sup>2</sup> Accordingly, Petitioner has failed to allege any facts to show that it has a “real interest” in this action. If each statement in the Petition is taken as true and all reasonable inferences therefrom are drawn in Petitioner’s favor, Petitioner still has no “real interest” in this proceeding.

Secondly, Petitioner has no reasonable basis in fact for its belief in damages. Petitioner conclusorily alleged in the Petition that it is and will continue to be damaged by Great Concepts’s registration. However, Petitioner has not alleged any facts to support such allegation. Further, as shown above, any belief that Petitioner may hold that it may be damaged by Great Concepts’s Registration is unreasonable because Registrant’s amendment of its date of first use does not change the fact that Registrant clearly has and had priority. Therefore, Petitioner has failed to allege any facts showing a reasonable basis in fact for its belief that it is damaged.

## **VI. CONCLUSION**

As shown above, Petitioner has not pled facts to sufficiently support its claims. Petitioner has not alleged facts to support its claim of fraud with sufficient particularity and to plausibly suggest that the statements complained of (i) were made willfully in bad faith or (ii) could have been material to Great Concepts’s registration status. Furthermore, because there already has been a final judgment on the merits between the parties on the issue of Great Concepts’s right to register and use the mark DANTANNA’S for restaurant services, Petitioner is precluded by the doctrine of res judicata from again bringing the same claim or any claim it could have initially brought. Finally, because Petitioner could not have been damaged without a priority use in the mark, Petitioner failed to allege sufficient facts to support its standing relating to its application

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<sup>2</sup> As noted above, Petitioner cannot maintain this Petition related to a use in restaurant services due to the doctrine of res judicata.



for the mark DAN TANA’S for “marinara sauce.” Based on the foregoing, Great Concepts respectfully requests that the Board dismiss the Petition to Cancel.

Respectfully submitted,

PROCOPIO, CORY, HARGREAVES  
& SAVITCH LLP

Dated: September 4, 2015

By:           /Lisel M. Ferguson/            
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GREAT CONCEPTS, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that a true and complete copy of the foregoing MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF ITS MOTION TO DISMISS CHUTTER, INC.'S PETITION TO CANCEL UNDER FEDERAL RULE OF CIVIL PROCEDURE 12(b)(6) is being mailed via United States mail, postage prepaid, on September 4, 2015 to the counsel for

Registrant as follows:

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Dated: September 4, 2015

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