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

Proceeding	92062860
Party	Plaintiff International IP Holdings, LLC
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

International IP Holdings, LLC,

Petitioner,

v.

Dr. Tom Miles,

Registrant.

Mark: REAL ENERGY

Registration No.: 4,534,664

Cancellation No. 92062860

**IIPH'S OPPOSITION TO REGISTRANT'S
MOTION TO DISMISS**

Petitioner, International IP Holdings, LLC (“IIPH”), by and through its attorneys, Oakland Law Group, PLLC, hereby opposes Registrant Tom Miles d/b/a Real Energy (“Registrant”) Motion to Dismiss IIPH’s Amended Petition of Cancellation (“Motion”). Contrary to Registrant’s Motion, IIPH’s merely descriptive and, in the alternative, deceptively misdescriptive claims are sufficiently pleaded in accordance with Federal Rules of Civil Procedure (“FRCP”) and case law from the Trademark Trial and Appeal Board (“TTAB”).

I. Background

IIPH and Registrant are involved in several proceedings before the board relating to the REAL ENERGY mark. On December 15, 2015, IIPH filed a Petition to Cancel the REAL ENERGY registration, Registration No. 4,534,664 (“Registration ‘664”). Registrant filed for use of the mark in connection with goods he describes as “nutritional wholefood supplement[s] and a food product” in Class

29. *See Miscellaneous Statement of Dkt. #1.* Registrant, as pro se, filed a Motion to Dismiss on January 30, 2016 for failure to state a claim. Rather than respond to the motion, IIPH elected to amend its petition by filing its First Amended Petition to Cancel on February 10, 2016. The Amended Petition to Cancel buttresses IIPH's allegations with various new facts. Among the pleaded facts, IIPH states Registrant concedes the term "energy" is generic or merely descriptive, has no unique meaning within the mark, nor any rights apart from the mark by voluntarily disclaiming the term. Further, IIPH alleges registrant's goods are, and are marketed as, "real", genuine, non-artificial goods that provide consumers with energy. Registrant's Motion illustrates his products' message by derisively contrasting his energy goods to IIPH's "synthetic caffeine, synthetic vitamins, artificial flavorings, artificial colorings, etc." products. (Dkt. #8, pg. 4).

On March 21, 2016, Registrant filed his Motion now before the Board. Registrant's Motion vacillates between arguing IIPH's First Amended Petition to Cancel contains no new facts and arguing the new factual statements fail to allege how the instant mark is merely descriptive or misdescriptive. Both arguments fail as IIPH's First Amended Petition to Cancel details factual matter that raises its claims above the mere speculative and plausible levels required.

II. Argument

1. *Pleading Standard*

To withstand a motion to dismiss for failure to state a claim upon which relief can be granted, a plaintiff need only allege sufficient factual content that, if proved,

would allow the Board to conclude, or to draw a reasonable inference, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing or cancelling the mark. *Doyle v. Al Johnson's Swedish Restaurant & Butik Inc.*, 101 USPQ2d 1780 (TTAB 2012), citing *Young v. AGB Corp.*, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998); TBMP §503.02.

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, 678 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)).

However, the plausibility standard does not require that a plaintiff set forth detailed factual allegations. *Totes-Isotoner Corp. v. U.S.*, 594 F.3d 1346, 1354 (Fed. Cir. 2010). Instead, 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.” *Id.* (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555-6 (2007)).

It is important to note that “for purposes of evaluating the sufficiency of the pleadings, all disputed issues, and all reasonable inferences, are construed in the light most favorable to the pleading party.” *Nike, Inc. v. Palm Beach Crossfit Inc.*, 116 U.S.P.Q.2d 1025, 1028 (TTAB 2015) (citing *Advanced Cardiovascular Sys., Inc. v. SciMed Life Sys. Inc.*, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993)).

As demonstrated below, IIPH has met the standards set forth by the Board and FRCP Rule 8.

2. IIPH Has Adequately Pleaded Its Standing

IIPH has a real interest in the instant proceeding and believes it is damaged by the continued registration of the petitioned mark. At the pleading stage, IIPH must allege facts in the Petition to Cancel which, if ultimately proven, would establish that IIPH has a real interest in the proceeding and a reasonable basis for the belief that it will be damaged by the issuance of a registration. *Herbko Int'l v. Kappa Books, Inc.*, 308 F.3d 1156 (Fed. Cir. 2002); *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, (Fed. Cir. 2000).

In arguing IIPH lacks standing Registrant relies on the fact IIPH has not pleaded any registrations. However, it is well established that IIPH need not assert proprietary rights in a term in order to have standing. TBMP § 309.03(b). “For example, when descriptiveness or genericness of the mark is in issue, plaintiff may plead (and later prove) its standing by alleging that it is engaged in the sale o[f] the same or related products or services ... and that the plaintiff has an interest in using the term descriptively in its business.” *Id.* (emphasis added). see also *Binney & Smith Inc. v. Magic Marker Industries, Inc.*, 222 USPQ 1003, 1010 (TTAB 1984) (“In order to establish its standing to object to the registration of an allegedly merely descriptive or deceptively misdescriptive term, a plaintiff need only show that it is engaged in the manufacture or sale of the same or related goods as those listed in the defendant's involved application or registration and that the product in question is one which could be produced in the normal expansion of plaintiff's business.”).

IIPH did exactly this. IIPH alleges that it is selling identical or related goods and that IIPH has an interest in using the phrase descriptively. The Amended Petition to Cancel states:

- *IIPH is, and for many years has been, engaged in offering goods related to those identified in Registration ‘664. (Dkt. #6, ¶4).*
- *The continued registration of Registration ‘664 would damage IIPH and other third parties in the industry by granting Registrant exclusive rights to use the phrase “real energy” or similar phrases. Such registration will prevent IIPH and other third parties from using the phrase, or similar informational or laudatory phrases, in a generic or descriptive sense without apprehension of Registrant claiming trademark infringement. (Dkt. #6, ¶10).*

The two above paragraphs clearly meet the standing requirements enumerated in 15 USC. §§ 1063 and 1064, and TBMP § 303.

3. IIPH Sufficiently Pleaded Its Claims In Its First Amended Petition to Cancel

IIPH’s First Amended Petition to Cancel includes ample factual statements to support its claims. IIPH alleges registrant’s goods are “real”, genuine, non-artificial goods that provide consumers with energy. IIPH alleges that:

- Registrant disclaims all rights to the term “energy”. (Dkt. #6, ¶7).
- real energy informs consumers its goods are genuine, non-artificial ingredients that provide energy. (Dkt. #6, ¶5).
- the public will readily understand the phrase “real energy” to describe the ingredients, characteristic, function or purpose of Registrant’s goods because “real energy” is commonly used in the relevant industry. (Dkt. #6, ¶8).

- Registrant's mark is the mere combination of the merely descriptive term REAL and the disclaimed, generic term ENERGY. (Dkt. #6, ¶9).
- Finally, Registration '664 is not registrable per Section 2(e)(1) as it is a merely informational and descriptive phrase that would ordinarily be used in the business or, in the alternative, Registration '664 is misdescriptive under Section 2(e)(1) in that its goods are artificial or not genuine and does not provide "real energy". (Dkt. #6, ¶¶11-12).

(collectively, "Newly Alleged Facts"). Clearly, the above facts demonstrate the mark REAL ENERGY is merely descriptive (or in the alternative misdescriptive) when used in connection with the relevant goods. IIPH alleges that the REAL ENERGY mark describes a quality, characteristic, function, or feature of the specified goods; specifically, the REAL ENERGY mark immediately informs consumers its goods are real, genuine, non-artificial goods that provide energy. There can be no doubt Registrant is on notice of the claims against it.

4. Case law Supports IIPH's claims as well-pleaded.

According to the cases before this Board that address the requisite level of pleading in merely descriptive or misdescriptive claims under the *Twombly/Iqbal* standard, IIPH has unequivocally met its burden.

Fewer averments than those presented here by IIPH were deemed sufficient in *21st Century Brands Distributing LLC v. LXR Biotech, LLC*, Opposition No. 91205970 (August 12, 2013) [not precedential]. LXR Biotech's counterclaim to

cancel petitioner's registration as merely descriptive was deemed adequately pleaded. There the Board held:

However, inasmuch as applicant has alleged that the term E6, as defined by opposer, means "6-hr Energy Shot," Answer, ¶ 26, it has set forth sufficient facts to plead its claim of descriptiveness under Section 2(e)(1).

Id.

Similarly, in *Great Adirondack Steak & Seafood Cafe, Inc.*, Opposition No. 91219162, (March 30, 2015) [not precedential] the Board found Opposer's merely descriptive¹ claim well-pleaded. In that case, the Board cited ¶10 of the Notice of Opposition as the operative paragraph that contained adequate pleading, which read in its entirety:

On information and belief, Applicant, uses Applicant's Mark primarily in connection with beer brewed at its physical establishment, Adirondack Pub & Brewery, located at 33 Canada St, Lake George, NY 12845, which is located in the Adirondack Mountains. For this reason, Applicant's Mark is merely descriptive of goods or services for which it is used.

Id.

Finally, the Board accepted far less allegations as sufficient for a claim that a mark was merely descriptive in *Tap It Brewing Co., LLC v. Tap or Nap LLC*, Opposition No. 91208370 (July 31, 2015) [Not Precedential].

Turning to Applicant's claim that Opposer's mark is merely descriptive, we find that Applicant's counterclaim set forth in paragraph 6 of the amended counterclaim (shown below) is sufficiently pleaded. *See M. Polaner Inc. v. the J.M. Smucker Co.*, 24 USPQ2d 1059, 1060 (TTAB 1992) (the Board concluded that petitioner's allegation that the term "Simply Fruit" is merely descriptive as applied to respondent's goods set forth a claim upon which relief may be granted).

"6. Registration should be cancelled because the Opposer's mark TAP IT merely describes the function of applicant's [*sic*⁶] goods. ..."

¹ Opposer asserted a merely descriptive, not a primarily geographically descriptive, claim.

Id.

While the above three decisions are not precedential, they are helpful to illustrate what the Board deems well-pleaded merely descriptive claims. IIPH's First Amended Petition to Cancel surpasses all three of the above examples. *21st Century Brands* alleged the mark E6 "means 6-hr Energy Shot." *Great Adirondack Steak* only stated Adirondack Pub & Brewery was located in the Adirondack Mountains. *Tap It Brewing* found asserting that the mark TAP IT describes a function of the goods was sufficient.

Here, IIPH alleges the REAL ENERGY mark is merely descriptive (or in the alternative misdescriptive) as it describes an ingredient, quality, characteristic, function, or feature because the mark immediately informs consumers its goods are real, genuine, non-artificial goods that provide energy. In addition to this well-pleaded allegation, IIPH's factual statements also claims REAL ENERGY is merely a combination of the highly descriptive term "real" with the voluntarily disclaimed, generic term "energy." Finally, IIPH alleges the phrase "real energy" is widely used in the industry such that consumers readily understand that REAL ENERGY immediately describes the goods as non-artificial products.

IIPH is not required to prove its claims to the hilt in its petition to cancel. Pleadings necessarily contain less facts than during trial as pleadings are alleged based on information gathered prior to conducting discovery. Granting Registrant's Motion, despite contrary to prior decisions, would require a party to plead all facts at the start of a proceeding, which would undermine the discovery process and subvert trial procedure.

5. *Registrant's reliance on Walt Disney v. Team Stick is misguided and irrelevant.*

Registrant holds out *Walt Disney Co. v. Team Stick, Inc.*, 2000 TTAB LEXIS 195 (TTAB 2000) as the most analogous case. The comparison is completely inapposite; there are no parallels between the respective cases. *Walt Disney* held opposer's pleading insufficient because opposer's only allegation was that the subject mark described an attitude instead of claiming the mark described the goods. In contrast, IIPH's factual allegations go directly to how the subject mark describes the applied-for-goods; namely, REAL ENERGY is used on goods that consumers identify as "real" (non-artificial) and provide energy.

6. *IIPH's alternative claim of misdescriptive is well-pleaded.*

If a term immediately conveys an immediate idea of an ingredient, quality, characteristic, function, or feature of the goods, but the idea (though plausible) is false then the term is deceptively misdescriptive and is unregistrable under §2(e)(1). See *In re AOP LLC*, 107 USPQ2d 1644 (TTAB 2013).

Registrant cites two cases (though claiming to cite four) referencing different pleadings in different proceedings. Here the Newly Alleged Facts satisfy the first part of the misdescriptive requirement. IIPH alleges that consumers will understand that the REAL ENERGY mark immediately informs them about an ingredient, quality, characteristic, function or feature of its goods; i.e., the products are non-artificial. Second, IIPH alleges, in the alternative, this immediately understood impression by consumers is false when the goods are, in fact, artificial. "Alternatively, Registration '664 is misdescriptive under 2(e)(1) in that it does not

provide “real energy” as consumers understand the phrase because its goods are artificial or not genuine.” (Dkt. #6, ¶12).

Construed in the light most favorable to petitioner, IIPH has satisfied its pleading requirements.

III. Conclusion

For the reasons stated above, IIPH International IP Holdings, LLC respectfully requests that the Board deny Registrant’s Motion and for such other relief as this Honorable Board deems appropriate. In the alternative, should the Board determine that the merely descriptive and misdescriptive claims are not pleaded with sufficiently, IIPH hereby respectfully request leave to amend the Petition to Cancel.

Respectfully submitted,

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Date: April 11, 2016

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CERTIFICATE OF SERVICE

The Undersigned hereby certifies that on this 11th day of April, 2016, a true copy of the foregoing **Opposition to Registrant's Motion to Dismiss** is being served on Applicant via First Class Mail:

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