

UNITED STATES PATENT AND TRADEMARK
OFFICE

Trademark Trial and Appeal Board

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Cancellation No. 92065178 (parent case)

Cancellation No. 92065255

Philanthropist.com, Inc.

v.

*The General Conference Corporation of
Seventh-day Adventists*

By the Board:

These consolidated proceedings are before the Board for consideration of Respondent's June 29, 2017 motion to dismiss the amended petitions to cancel for failure to state a claim upon which relief may be granted, pursuant to Fed. R. Civ. P. 12(b)(6). The motion is fully briefed.¹

¹ In adjudicating the motion to dismiss, the Board does not give consideration to exhibits or matters outside of the pleadings. TBMP § 503.04, and cases cited therein.

With the exception of a registration made of record in a manner set forth in Trademark Rule 2.122(d)(1), exhibits to pleadings are not evidence on behalf of the party to whose pleading the exhibit is attached unless identified and introduced in evidence as an exhibit during the assigned period for the taking of testimony. Trademark Rule 2.122(c); TBMP § 317.

Cancellation No. 92065178 (PARENT CASE); Cancellation No. 92065255

Both proceedings involve the registered mark ADVENTIST. Cancellation No. 92065178 involves a petition to cancel incontestable Registration No. 1176153 for goods and services in International Classes 16, 41 and 42. Cancellation No. 92065255 involves a petition to cancel incontestable Registration No. 1218657, which was registered with a claim of acquired distinctiveness pursuant to Section 2(f), for services in International Classes 41 and 42.

In an order issued on May 1, 2017 in Cancellation No. 92065178, and issued on May 3, 2017 in Cancellation No. 92065255,² the Board dismissed the original petitions to cancel for failure to state a claim, and allowed Petitioner thirty days to file an amended pleading in each respective proceeding.³ On June 1, 2017, Petitioner filed, in each proceeding, an identical amended petition to cancel.⁴

In lieu of filing an answer, Respondent filed, in Cancellation No. 92065178 only, a motion to dismiss Petitioner's amended petition as untimely, and for failure to state a claim upon which relief may be granted.⁵

² There is no substantive reason why the order was issued on different days in the two proceedings. This was ostensibly because the Board simply did not process and mail the order in both proceedings at the same time.

³ Specifically, the Board found that the original petitions to cancel failed to plead standing or a claim of fraud on the USPTO.

⁴ 9 TTABVUE.

From the time Respondent filed its first motion to dismiss, Respondent's counsel of record has been Buchanan Ingersoll & Rooney, P.C. However, Petitioner served its amended pleadings only on an attorney who Petitioner identifies as "Respondent's attorney of record" (9 TTABVUE 11), but whose email appears only on the cover page to Respondent's filings and who is not counsel of record. However, Respondent did not object to service. The Board has given consideration to Petitioner's amended pleadings.

⁵ Canc. No. 92065178, 10 TTABVUE.

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Before adjudicating the motions to dismiss, the Board addresses two preliminary matters. First, to the extent that Respondent moves for dismissal of the June 1, 2017 amended petition on the sole basis that it was filed after the deadline set by the Board in its May 1, 2017 order,⁶ Respondent's motion is denied. It was readily apparent from the records of both proceedings that the Board did not issue on the same date its order allowing Petitioner thirty days to file its amended petitions to cancel, and that the calculation of thirty days from the two different issue dates therefore resulted in two different deadlines. This, as well as the fact that the Board's order is identical in both proceedings, should have been obvious to Respondent. Inasmuch as Petitioner filed the amended petitions within thirty days from May 3, 2017, the Board deems them to be timely filed in both proceedings.

Second, to the extent that Petitioner moves for the entry of default judgment in Cancellation No. 92065255 based on Respondent's failure to file a responsive pleading (*i.e.*, the motion to dismiss) in that proceeding,⁷ Petitioner's motion is denied. It was readily apparent from the record - apparent in the first paragraph of the motion to dismiss wherein Respondent specifically identifies Registration No. 1218657, and thereafter continues to discuss Registration No. 1218657 throughout - that Respondent's motion is directed to *both* of the amended petitions. Furthermore, it is the longstanding policy of the Board to decide cases on their merits, and the Board is

⁶ Canc. No. 92065178, 10 TTABVUE 2, 4-5.

⁷ Canc. No. 92065255, 10 TTABVUE.

reluctant to enter default judgment for failure to file a timely responsive pleading. TBMP § 312.02 (June 2017).

Analysis - Respondent's Motion to Dismiss for Failure to State a Claim

A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of a complaint. *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038,1041 (Fed. Cir. 1993); *Covidien LP v. Masimo Corp.*, 109 USPQ2d 1696, 1697 (TTAB 2014). In order to withstand such a motion, a complaint need only allege such facts as would, if proved, establish that the plaintiff is entitled to the relief sought, that is, that 1) the plaintiff has standing to maintain the proceeding, and 2) in the case of a cancellation proceeding, a valid ground exists for cancelling the registration. *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998). *See also*, TBMP § 309.03(c). To survive a motion to dismiss, a complaint must “state a claim to relief that is plausible on its face.” *Bell Atlantic Corp. v. Twombly*, 550 U.S. 554, 570 (2007); *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). In particular, the claimant must allege well-pleaded factual matter and more than “[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements.” *Ashcroft v. Iqbal*, 556 U.S. at 678 (citing *Twombly*, 550 U.S. at 555).

The Board examines the complaint in its entirety, construing the allegations therein so as to do justice, as required by Fed. R. Civ. P. 8(e), to determine whether it contains any allegations, which, if proved, would entitle the plaintiff to the relief sought. *IdeasOne Inc. v. Nationwide Better Health*, 89 USPQ2d 1952, 1953 (TTAB

2009); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1539 (TTAB 2007). *See also*, TBMP § 503.02.

Standing

At the pleading stage, all that is required is that a plaintiff allege facts sufficient to show a “real interest” in the proceeding, and a “reasonable basis” for its belief that it would suffer some kind of damage if the mark is registered. *Empresa Cubana del Tabaco v. General Cigar Co.*, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982). *See also* *Herbko Int’l Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1377 (Fed. Cir. 2002); *Jewelers Vigilance Committee Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021, 2024 (Fed. Cir. 1987) *on remand*, 5 USPQ2d 1622(TTAB 1987), *rev’d*, 853 F.2d 888, 7 USPQ2d 1628 (Fed. Cir. 1988).

Relevant to standing, in the amended pleadings Petitioner sets forth, *inter alia*, the following specific allegations:

Petitioner has made a substantial, bona fide investment in the generic term Adventist by purchasing the domain name Adventist.com, which has a potential market value of \$1.2 million. ... Soon after purchasing Adventist.com, Petitioner received a cease and desist letter from Respondent, alerting Petitioner to Respondent’s ownership of the challenged registrations and demanding that Petitioner immediately surrender ownership of Adventist.com.⁸

Respondent accused Petitioner of ‘intentionally trading on the goodwill of the Church by using a trademark that is confusingly similar’ to the challenged

⁸ 9 TTABVUE 3.

marks... warned that it would ‘enforce its legal rights’ against Petitioner by seeking remedies for trademark infringement and dilution.⁹

Respondent, true to its threats, filed a proceeding against Petitioner under ICANN’s Uniform Domain-Name Dispute-Resolution Policy (UDRP) ... Petitioner ultimately won the right to retain ownership of Adventist.com. ... Accordingly, Petitioner remains the rightful owner of Adventist.com, and continues to possess a real commercial interest in the term. However, Petitioner’s quiet enjoyment of Adventist.com is subject to and significantly diminished by Respondent’s active threat to bring a federal action for trademark infringement against Petitioner – a threat that looms all the larger since Respondent proved that its threats were not idle by prosecuting its UDRP action.¹⁰

Not only does Petitioner remain under threat of pending legal action by Respondent, but its Adventist.com domain name has depreciated by direct virtue of Respondent’s pattern of aggressively litigating against anyone who owns it. As a professional domain name seller, the inability to sell Adventist.com or to realize a reasonable return on its investment has direct economic impact on Petitioner.¹¹

Respondent has expressly threatened to bring additional legal action against Petitioner, and has unequivocally stated its intention to seek multiple remedies against Petitioner in federal court.¹²

Petitioner further alleges that Respondent warned that it would seek remedies for trademark infringement and dilution, including injunctive relief and money damages,¹³ and alleges that numerous third parties have been deterred from purchasing Petitioner’s domain name because of Respondent’s litigiousness.¹⁴

Therefore, in the amended petition Petitioner explicitly alleges that it is the rightful owner of a property, namely, the domain name Adventist.com, by way of its

⁹ 9 TTABVUE 4.

¹⁰ 9 TTABVUE 4-5.

¹¹ 9 TTABVUE 5.

¹² 9 TTABVUE 6.

¹³ 9 TTABVUE 4.

¹⁴ 9 TTABVUE 7.

purchase as well as by the outcome of the UDRP proceeding that was initiated by Respondent; that it has a real commercial interest in said property; that said property has value in its business; that its ownership of said property is impacted by threat of pending or potential legal action by Respondent; and that the value of said property has depreciated. Petitioner further alleges prior receipt of a cease and desist communication from Respondent in which Respondent asserted that it has registered, and has exclusive right to use, the mark ADVENTIST “for various religious purposes”¹⁵ and that this right allows it “to prevent third parties from using any similar name or mark that is likely to cause confusion, such as the domain name located at: ADVENTIST.com.”¹⁶ On this record, Petitioner has set forth specific matters which support a finding that its alleged belief of economic damage vis-à-vis its property is not merely hypothetical speculation.

The Board notes Respondent’s argument that Petitioner does not have any “objectively reasonable” belief of legal action because Respondent has not taken or threatened further legal action since the UDRP case was concluded.¹⁷ The argument does not negate Petitioner’s pleading of standing. Petitioner alleges that Respondent stated in its letter to Petitioner that it would also seek various remedies for trademark infringement and dilution; such remedies are typically available in federal venues (that is, venues other than the Board, which has limited jurisdiction only to

¹⁵ 9 TTABVUE 3.

¹⁶ 9 TTABVUE 3.

¹⁷ 10 TTABVUE 9.

determine registrability).¹⁸ Moreover, in pleading standing Petitioner does not rely solely on an allegation of threat of a suit.

Similarly, there is little merit in Respondent's argument that Petitioner did not allege that it has tried and failed to sell the domain name, or that potential buyers have expressed concern.¹⁹ In pleading standing, there is no requirement that actual damage be pleaded or proved. *Blackhorse v. Pro-Football, Inc.*, 98 USPQ2d 1633, 1638 (TTAB 2011) (no requirement that actual damage be pleaded); *Enbridge, Inc. v. Excelerate Energy L.P.*, 92 USPQ2d 1537, 1543 n.10 (TTAB 2009) (plaintiff does not have to prove claims or actual damage to establish standing).

Having considered all of the allegations and the amended pleading as a whole, the Board finds that Petitioner has sufficiently set forth factual allegations that it has a "real interest" as well as a "direct and personal stake" in the outcome of this proceeding, and has set forth supporting allegations that are sufficient to allege a reasonable basis in fact for its belief of damage. *Ritchie v. Simpson*, 50 USPQ2d at 1027. Accordingly, Petitioner has met the initial pleading burden to set forth matters which, if proven, would establish its standing to bring this proceeding.

Ground - Generic

¹⁸ TBMP § 309.03(a) ("The Board is an administrative tribunal that is empowered to determine only the right to register; it may not determine the right to use, or broader questions of infringement or unfair competition.")

¹⁹ 10 TTABVUE 9.

The Board found that in the original petitions to cancel, Petitioner sufficiently set forth a claim that the mark ADVENTIST is generic.²⁰ Nonetheless, Petitioner amended its genericness claim in the first amended petitions, which the Board now reviews.

In its amended petitions, Petitioner alleges, *inter alia*,

The relevant public, including those who practice Adventism and follow its teachings and traditions, use or understand the word Adventist primarily as referring to the broad category of followers of Adventism, and not to members of any specific church or organization. ... Numerous third parties incorporate the word “Adventist” into their own trademarks and service marks in order to promote, sell, discuss, or share goods and services related to the study, practice, reflection, discussion, or critique of Adventism. Many of these groups, including groups that have splintered from Respondent’s church, have been threatened and/or harmed by Respondent asserting its trademarks against them, and/or have been deterred from purchasing Petitioner’s domain name because of Respondent’s litigiousness.²¹

Respondent, as merely one of thousands of users of the word “Adventist” in connection with religious observances, charitable organizations and activities, educational institutions and materials, magazines, newsletters, encyclopedias, dictionaries, commentaries, bibles, films, books, hospitals, service providers, and community groups, is not entitled to the exclusive right to use the term with respect to these goods and services. ... The word “Adventist” is necessary to the accurate identification of or reference to goods and services related to Adventism. Those who offer goods or services connected to the Adventist belief system need and are entitled to use the term “Adventist” descriptively in order to carry out their business, and to purchase, own, and maintain domain names containing the word Adventist, such as Adventist.com. ... Continued registration of the term Adventist is and will be a source of damage to Petitioner and to the public, as it confers upon Respondent the erroneous presumption that Adventist is distinctive for Respondent’s specific goods and services, when it is in fact a general term for anyone practicing or following Adventism. ... The fact that Respondent is the largest Adventist denomination does not justify the appropriation from the public domain of the common name of a widespread religion, nor does it grant Respondent the exclusive right to its use or the right to prevent others from using it. Because

²⁰ 8 TTABVUE 9.

²¹ 9 TTABVUE 7.

“Adventist” is generic, any secondary meaning argued by Respondent is of no avail to them.²²

As a generic word with a primary significance to the public of the name of a religious belief system, “Adventist” cannot be subject to trademark protection, nor can it serve as the exclusive trade name for any particular church.²³

Read together, these allegations place Respondent on notice of the factual basis for a claim of genericness. The allegations sufficiently set forth a claim that the mark ADVENTIST is generic for the goods and services identified in the registrations.

Summary; Petitioner Allowed Time to File Amended Petitions to Cancel

With respect to each proceeding, Respondent’s motion to dismiss for failure to state a claim under Fed. R. Civ. P. 12(b)(6) is conditionally denied. Specifically, the motion is denied conditioned on Petitioner’s filing of a second amended petition to cancel for the following reasons:

Fed. R. Civ. P. 10(b) states that “A party must state its claims or defenses in numbered paragraphs, each limited as far as practicable to a single set of circumstances.”²⁴ Fed. R. Civ. P. 10(b). *See also, Isle of Aloe, Inc. v. Aloe Creme Laboratories, Inc.*, 180 USPQ 794, 794 (TTAB 1974) (complaint stricken for failure to comply with requirement of Fed. R. Civ. P. 10(b) that each numbered paragraph be limited to a single set of circumstances); TBMP § 309.03(a)(2) (“All averments should be made in numbered paragraphs, the contents of each of which should be limited as

²² 9 TTABVUE 8.

²³ 9 TTABVUE 8-9.

²⁴ Fed. R. Civ. P. 10(b) is applicable to Board proceedings by operation of Trademark Rule 2.116(a). TBMP § 101.02.

far as practicable to a statement of a single set of circumstances.”). Petitioner did not set forth the first amended petitions in a manner that complies with these applicable authorities.²⁵ Not all of the paragraphs are numbered or sufficiently limited in content.

Accordingly, for the purpose of constructing a clearer record and to enable Respondent to prepare its answers:

- 1) Petitioner is allowed until twenty (20) days from the mailing date of this order to file, in each proceeding, a second amended petition to cancel which complies with the applicable authorities, failing which the petition(s) will be dismissed for lack of compliance therewith; and
- 2) Respondent is allowed until thirty (30) days from the date of service of the second amended petitions to cancel to file, in each proceeding, its answer thereto.

After the pleadings are closed, the parties are directed to commence the practice of filing only a single copy of all motions and submissions in the parent case only, as the Board previously explained.²⁶

Resumption; Schedule

²⁵ The Board also notes that Respondent addressed this issue. 10 TTABVUE 2, 6-7; 12 TTABVUE 2.

²⁶ 8 TTABVUE 3.

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Proceedings are resumed. To allow for the filing of amended pleadings as directed herein, conference, initial disclosure, discovery and trial dates in the consolidated proceedings are reset as follows:

Deadline for Required Discovery Conference	12/19/2017
Discovery Opens	12/19/2017
Initial Disclosures Due	1/18/2018
Expert Disclosures Due	5/18/2018
Discovery Closes	6/17/2018
Plaintiff's Pretrial Disclosures Due	8/1/2018
Plaintiff's 30-day Trial Period Ends	9/15/2018
Defendant's Pretrial Disclosures Due	9/30/2018
Defendant's 30-day Trial Period Ends	11/14/2018
Plaintiff's Rebuttal Disclosures Due	11/29/2018
Plaintiff's 15-day Rebuttal Period Ends	12/29/2018
Plaintiff's Opening Brief Due	2/27/2019
Defendant's Brief Due	3/29/2019
Plaintiff's Reply Brief Due	4/13/2019
Request for Oral Hearing (optional) Due	4/23/2019

Generally, the Federal Rules of Evidence, Federal Rules of Civil Procedure and Trademark Rules of Practice apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125. These include pretrial disclosures, matters in evidence, the manner and timing of taking testimony, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition

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transcripts and stipulated evidence. Trial briefs shall be submitted in accordance with Trademark Rules 2.128(a) and (b). Oral argument at final hearing will be scheduled only upon the timely submission of a separate notice as allowed by Trademark Rule 2.129(a).