

ESTTA Tracking number: **ESTTA802620**

Filing date: **02/21/2017**

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

Proceeding	92065178
Party	Defendant The General Conference Corporation of Seventh-day Adventists
Correspondence Address	THE GENERAL CONFERENCE CORPORATION OF SEVENTH-DAY 12501 OLD COLUMBIA PIKE SILVER SPRING, MD 20904 UNITED STATES SaundersA@gc.adventist.org
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Bassam N. Ibrahim
Filer's e-mail	bassam.ibrahim@bipc.com
Signature	/Bassam N. Ibraihm/
Date	02/21/2017
Attachments	Motion to Diissmiss - 92065178.pdf(434747 bytes)

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

Philanthropist.com, Inc.,)	
)	
Petitioner)	
)	
v.)	Cancellation No. 92065178
)	
The General Conference Corporation)	
of Seventh-Day Adventists,)	
)	
Registrant)	

REGISTRANT’S MOTION TO DISMISS

Pursuant to Fed. R. Civ. P. 12(b)(6) and TBMP §503, Registrant The General Conference Corporation of Seventh-Day Adventists (“Registrant”) hereby moves to dismiss the Petition for Cancellation filed by Petitioner Philanthropist.com, Inc. (“Petitioner”).

I. INTRODUCTION

Petitioner’s Petition for Cancellation fails to state a claim on which relief can be granted under the Board’s rules. Petitioner has failed to show that it even has standing to bring the Petition, since it lacks a real interest in the proceedings and an objectively reasonable basis for its belief that it will be damaged by the continued registration of Registrant’s mark. Petitioner merely filed this cancellation in an attempt to gain leverage in a separate dispute involving a domain name owned by Petitioner. However, that case has already been decided, so it does not provide Petitioner with any basis for asserting standing in this proceeding.

Furthermore, three of the four counts in the Petition fail to state a claim upon which relief can be granted. Petitioner’s claims of descriptiveness and “failure to function as a mark” must be dismissed as a matter of law, since Registrant’s U.S. Reg. No. 1,176,153 is incontestable

pursuant to 15 U.S.C. §1065, and descriptiveness and “failure to function as a mark” are not among the specifically enumerated grounds for cancellation that can be asserted against an incontestable registration. Finally, Petitioner’s fraud claim fails to state a claim upon which relief can be granted as Petitioner has failed to plead this claim with the required level of particularity.

Therefore, the Board should grant this Motion and dismiss the Petition.

II. STATEMENT OF FACTS

Petitioner Philanthropist.com, Inc. is a “cybersquatter” or domain name pirate that acquires domain names containing trademarked terms belonging to others and then attempts to sell them to the rightful owner for sums far exceeding its acquisition costs. Although Petitioner attempts to characterize its business as only involving the acquisition and sale of “generic” domain names, Petitioner is currently offering for sale multiple domain names containing registered trademarks, such as <maryclaire.com>¹, <valleybank.com>², <communitybankofthesouth.com>³, <thenationsnewspaper.com>⁴, and others.

Registrant is the entity established to hold title to the assets of the Seventh-Day Adventist Church, one of the largest religious bodies in the world with a total congregation of over 19.1 million persons. Registrant owns numerous U.S. and worldwide trademark registrations for marks consisting of or containing ADVENTIST, including U.S. Reg. Nos. 1,176,153 and 1,218,657 for the mark ADVENTIST. Registrant and its predecessors in interest have used these marks in the United States in connection with various goods and services since at least as early

¹ Marie-Claire Album S.A. owns numerous registrations for the mark MARIE CLAIRE, including U.S. Reg. Nos. 838,440; 1,224,181; 1,949,940; and many others.

² VALLEY BANK is a registered trademark of River Valley Bancorp, Inc. (U.S. Reg. No. 3,306,637).

³ COMMUNITY BANK OF THE SOUTH is a registered trademark of Community Bank of the South (U.S. Reg. No. 4,108,235).

⁴ THE NATION’S NEWSPAPER is a registered trademark of Gannett Co. (U.S. Reg. No. 1,399,353).

as 1860, and have built up a significant amount of established goodwill and consumer recognition in the ADVENTIST mark.

In June of 2016, as part of its cybersquatting business, Petitioner acquired the domain name <adventist.com>. Petitioner immediately listed this domain name for sale with an asking price of \$1.2 million. Petitioner stated on its web site that the inflated asking price was due to the high “business brandability” of the domain name, which of course is due to the efforts of Registrant and its predecessors over the last 150 years to promote the mark and to associate the mark with Complainant’s goods and services.

On December 8, 2016, Registrant filed a complaint with the National Arbitration Forum under the Uniform Domain Name Resolution Procedure (“UDRP”) seeking to have Petitioner’s <adventist.com> domain name transferred to Registrant. On January 13, 2017, Petitioner filed this Petition and a separate Petition for Cancellation against U.S. Reg. No. 1,218,657 (Cancellation No. 92065255), in an effort to gain leverage against Registrant in the pending UDRP proceeding and attempt to force Registrant to withdraw the UDRP complaint. However, on January 24, 2017, the Forum issued a decision denying Registrant’s complaint.

II. PETITIONER HAS FAILED TO ESTABLISH STANDING

Petitioner has failed to demonstrate that it has standing to bring this proceeding, since it does not have a real interest or a reasonable basis for believing that it will be damaged by the continued registration of Registrant’s mark. Therefore, the entire Petition should be dismissed on this basis alone.

In order to establish standing, Petitioner must demonstrate both “a real interest in the proceedings as well as a ‘reasonable’ basis for [its] belief of damage.” *Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed. Cir. 1999). In order to establish a “real interest,” Petitioner must show

that it has a “direct and personal stake” in the outcome herein and is more than a “mere intermeddler.” *Id.* “A party does not gain standing before the Board by virtue of the mere subjective ‘belief that a trademark violates rights under Trademark Act [Section] 14’...[T]he belief in damage resulting from registration must be *objectively* reasonable.” *NSM Resources Corp. and Huck Doll LLC v. Microsoft Corp.*, 113 U.S.P.Q.2d 1029, 1033 (TTAB 2014).

In the present case, Petitioner has failed to establish either a real interest in this proceeding or an objectively reasonable basis for its claim that it will be damaged. Petitioner claims that its standing to bring this action “is established by virtue of Petitioner’s ownership of ADVENTIST.COM, which is directly compromised by Registrant’s continued registration.” Petition, ¶15. Petitioner further claims that it has standing “based on Registrant’s assertion of the challenged registration against Petitioner in a pending dispute before the National Arbitration Forum.” Petition, ¶16.

Neither of these allegations is sufficient to establish Petitioner’s standing. First, with regard to Paragraph 16, the allegation of a “pending dispute” is no longer true. The National Arbitration Forum issued a decision on January 24, 2017 – eleven days after the filing of the Petition in this case - denying Petitioner’s complaint and ruling in favor of Registrant. This ruling is final and there is no provision for appealing the Forum’s decision. Therefore, this dispute no longer provides Petitioner with any basis for bringing the current cancellation. Petitioner has not alleged that Registrant has threatened to bring any other proceedings against Petitioner; however, even if Registrant had made such threats, this would not be sufficient to establish standing. *See Continental Specialties Corp. v. Continental Connector Corp.*, 192 U.S.P.Q. 449, 452 (TTAB 1976) (“[I]t is well settled that the threat of a suit for

infringement...does not by itself constitute damage within the meaning of Section 13 of the Trademark Act.”).

The allegations in Paragraph 15 also do not provide any basis for establishing standing. The mere fact that Petitioner owns a domain name containing the mark is insufficient to establish a “real interest” in cancelling the mark or a “reasonable basis” for its belief that it will be damaged. In order to establish standing to oppose or cancel the registration of an allegedly generic term, a plaintiff must show that it is “engaged in the manufacture or sale of the same or related goods as those listed in the applicant’s application; that is, that plaintiff has the right to use the term in a descriptive or generic manner.” *Sheetz of Delaware, Inc. v. Doctors Associates Inc.*, 108 U.S.P.Q.2d 1341, 1350 (TTAB 2013); *see also* J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, at §20:50 (4th Ed. 2004) (“To obtain standing to cancel on the ground that the registered mark is descriptive or generic, petitioner must plead and prove that the registration is inconsistent with petitioner’s equal right to use the term on similar goods as a descriptive or generic designation.”). Petitioner has failed to allege that it uses ADVENTIST, or a similar mark, in connection with the sale or offering for sale of any goods or services. Petitioner has also failed to allege that it offers any of the goods or services covered by U.S. Reg. No. 1,176,153, or any related goods or services.

Furthermore, although Petitioner claims that the ADVENTIST mark is generic, Petitioner has not alleged that it has any need or interest in using this term generically in its business. *See Bison Designs LLC v. Tough Gear, Inc.*, Opp. No. 91201036, at *12-13 (TTAB 2014) (dismissing complaint for failure to allege standing where Opposer “fails to allege, for example, that Opposer is engaged in the sale of the same or related products and that the Opposer has an interest in using the term SURVIVAL BRACELET descriptively or generically in its

business.”); *Nobelle.com, LLC v. Qwest Communications International, Inc.*, 66 U.S.P.Q.2d 1300, 1304 (TTAB 2003) (finding that petitioner failed to establish standing where it failed to show “that [it] is engaged in any ‘business’ at all which would give it a real interest in the outcome of this proceeding.”) Finally, Petitioner has not alleged that it owns any pending trademark applications for ADVENTIST or a similar mark, against which Registrant’s mark could be cited as a bar to registration.

Petitioner has failed to adequately explain how it will be damaged by the continued registration of Registrant’s mark. Therefore, the Petition must be dismissed in its entirety.

III. PETITIONER’S DESCRIPTIVENESS CLAIM CANNOT SUCCEED AS A MATTER OF LAW

In the alternative, in the unlikely event that the Board finds that Petitioner has adequately pled standing, Petitioner’s Second, Third, and Fourth Grounds for Cancellation must be dismissed for failure to state a claim upon which relief could be granted.

Petitioner’s Second Ground for Cancellation is that “the registered mark ADVENTIST is merely descriptive of the goods and services associated with the mark.” Petition, ¶27. However, Registrant’s U.S. Reg. No. 1,176,153 has been registered for well over five years, and is “incontestable” pursuant to 15 U.S.C. §1065.⁵ This means that the registration can only be challenged on the grounds specifically listed in 15 U.S.C. §§1064 and 1115(b), which do not include descriptiveness. Moreover, the Supreme Court has unequivocally held that “[t]he language of the Lanham Act...refutes any conclusion that an incontestable mark may be challenged as merely descriptive...Mere descriptiveness is not recognized by either §15 or §33(b) as a basis for challenging an incontestable mark.” *Park ‘N Fly, Inc v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 195 (1985).

⁵ Registrant filed the required Section 15 affidavit of incontestability on November 26, 1986.

Therefore, Petitioner's descriptiveness claim cannot succeed under any set of facts, and Petitioner's Second Ground for Cancellation must be dismissed as a matter of law.

IV. PETITIONER'S CLAIM FOR FAILURE TO FUNCTION AS A MARK CANNOT SUCCEED AS A MATTER OF LAW

Petitioner's Third Ground for Cancellation, "Failure to Function as a Mark," must also be dismissed as a matter of law. The "Failure to Function as a Mark" is not one of the specifically enumerated grounds on which an incontestable registration can be challenged under Sections 14 and 33(b) of the Trademark Act. Moreover, it appears from the specific allegations within this claim (i.e. that the ADVENTIST mark "has not acquired secondary meaning or distinctiveness") that this is merely a re-pleading of the genericness and descriptiveness claims, i.e., Petitioner's First and Second Grounds for Cancellation. To the extent that the Third Ground for Cancellation pleads a genericness claim, it is redundant and unnecessary in light of Petitioner's existing genericness claim, and to the extent that it pleads a descriptiveness claim, it is clearly barred by the Lanham Act and the Supreme Court's *Park 'N Fly* decision.

Therefore, Petitioner's Third Ground for Cancellation must also be dismissed.

V. PETITIONER HAS FAILED TO PLEAD ITS FRAUD CLAIM WITH THE REQUIRED LEVEL OF SPECIFICITY

Finally, Petitioner's Fourth Ground for Cancellation, fraud, must also be dismissed. In order for a fraud claim to survive a motion to dismiss the circumstances constituting the alleged fraud must be stated with particularity. *Dragon Bleu (SARL) v. VENM, LLC*, 112 U.S.P.Q.2d 1925, 1927 (TTAB 2014). In order to satisfy this requirement, the fraud claim must be accompanied by a specific statement of facts upon which the belief is reasonably based. *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1326-27 (Fed. Cir. 2009). The circumstances of

the alleged fraud “must be pleaded in detail – [t]his means the who, what, when, where and how of the alleged fraud. *Id.* (citations omitted).

Petitioner’s Fourth Ground for Cancellation fails to meet this standard. Petitioner merely alleges that “Registrant signed and submitted a declaration alleging, among other things, that it believed that it was ‘entitled to such mark in commerce,’ and that, to the best of its knowledge and belief, ‘no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive.” Petition, ¶35. Petitioner further alleges that Registrant “was aware that its declaration was false or fraudulent,” Petition, ¶36, and that Registrant allegedly “was aware that the foregoing false or fraudulent statements would be relied upon by the Trademark Office.” Petition, ¶37.

These allegations fail to meet the heightened pleading requirements for fraud claims under Federal Rule 9(b). First, the Petition does not allege any specific use of the term ADVENTIST by others at the time the application was filed in 1981. The Petition merely makes the vague allegation that “the term ADVENTIST has never been used substantially exclusively by Registrant.” Petition, ¶37. However, in order to support its claim that Registrant knew the declaration was false, Petitioner must be able to allege at least one example of another party using the term ADVENTIST at the time Registrant submitted the declaration. Petitioner has not done so. Petitioner has cited a few other parties who are supposedly currently using the term ADVENTIST (Petition, ¶¶ 9 and 12), but Petitioner has not alleged that any of these parties were using the term at the time Registrant submitted the declaration in 1981.

Furthermore, even if there was descriptive or generic use of the term ADVENTIST by others at the time the declaration was submitted – which Registrant strongly disputes – this does not mean that the declaration was fraudulent. The declaration stated that “no other person firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive.” The descriptive or generic use of a term does not constitute use as “a mark in commerce,” nor would it be likely “to cause confusion, or to cause mistake, or to deceive.” Therefore, even if Registrant had been aware of the alleged descriptive or generic use of ADVENTIST at the time the declaration was signed, this would not be incompatible with a good faith belief that nobody else had the right to use ADVENTIST as “[a] mark in commerce” in connection with goods or services. Petitioner has thus failed to allege that Registrant’s statements in the declaration were “false or fraudulent.” See *Dragon Bleu*, 112 U.S.P.Q.2d at 1927 (“[T]he fraud claim must fail simply on the basis that Opposer made no false statement during the prosecution of its underlying application.”).

Finally, in order to set forth a claim of fraud, a petitioner must allege “that the applicant, in failing to disclose these facts to the [USPTO], intended to procure a registration to which it was not entitled.” *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 U.S.P.Q.2d 1203, 1205 (TTAB 1997). Petitioner has failed to make that allegation here. Petitioner has merely alleged that Registrant was aware that the declaration was false, but has not alleged that Registrant submitted the supposedly false designation with the specific intent to procure a registration to which it was not entitled. Therefore, Petitioner’s fraud claim must also fail on this basis. See *Dragon Bleu*, 112 U.S.P.Q.2d at 1928 (dismissing fraud claim where “there is no allegation

which constitutes a proper pleading of Opposer's intent to deceive the Patent and Trademark office with respect to an issue affecting registration.”).

VI. CONCLUSION

For the reasons set forth above, Registrant respectfully requests that the Board dismiss the Petition for Cancellation in its entirety, or, in the alternative, dismiss Petitioner's Second, Third, and Fourth Grounds for Cancellation.

Respectfully submitted,

By: 

Bassam N. Ibrahim
Bryce J. Maynard
Laura K. Pitts
Buchanan Ingersoll & Rooney, P.C.
1737 King Street, Suite 500
Alexandria, Virginia 22314-1404
(703) 836-6620

Attorneys for Registrant

Date: February 21, 2017

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing REGISTRANT'S MOTION TO
DISMISS was served this 21 day of February, 2017 by U.S. mail on:

Eve J. Brown
Bricolage Law, LLC
1193 Walnut Street, Suite #6
Newton, Massachusetts 02461

Connie Fuentes

Connie Fuentes