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

Proceeding	92065911
Party	Defendant NERO World, LLC
Correspondence Address	NERO WORLD LLC 21 BATTERY PARK AVENUE APT 302 ASHEVILLE, NC 28801 UNITED STATES
Submission	Motion to Dismiss - Rule 12(b)
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Date	05/29/2017
Attachments	Ford - MTD.pdf(158391 bytes)

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

In the matter of trademark Registration No. 4657988, Serial No. 86280398
For the mark NERO
Registered on December 16, 2014

Joseph Valenti,)
)
Plaintiff,)
) Cancellation No. 92065911
v.)
)
NERO World, LLC,)
)
Defendant,)
)

DEFENDANT’S MOTION TO DISMISS FOR FAILURE TO STATE A CLAIM

COMES NOW Defendant, NERO World, LLC, by and through counsel, Jovanna R. Bearden of Bearden Law, and moves this Court for an Order dismissing the above referenced Cancellation Action for its Failure to State a Claim, pursuant to Federal Rule of Civil Procedure 12(b). Defendant brings this motion on the basis that Plaintiff, Joseph Valenti, does not have standing to pursue his Petition for Cancellation. In the alternative, Defendant moves this Court for an Order dismissing the Petition in part for Plaintiff’s failure to properly plead grounds to support his Petition. In support of his Motion, Defendant states as follows:

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 SciMedi Life Systems, Inc.*, 988.F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993). The Complaint must

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) a valid ground exists for cancelling the subsection registration. *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998).

Plaintiff, Joseph Valenti, does not have a “real interest” in this proceeding, nor does he have a “direct and personal stake” in the outcome of the proceeding, and therefore lacks standing

For a plaintiff to demonstrate standing in a complaint, there must be facts plead which show a “real interest” in the proceeding, and a “reasonable basis” for the plaintiff’s belief that he would suffer some kind of damage if the mark is not canceled. *Empresa Cubana del Tabaco v. General Cigar Co.*, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014). To plead a “real interest,” plaintiff must allege a “direct and personal stake” in the outcome of the proceeding. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1026 (Fed. Cr. 1999). The allegations to support plaintiff’s belief of damage must have a reasonable basis “in fact.” *Ritchie*, 170 F.3d 1092, 50 USPQ2d at 1027.

Here, Plaintiff, Joseph Valenti, does not have a “real interest” in this proceeding, has no “reasonable basis” for believing that he would suffer some kind of damage from the mark at issue, and has no “direct and personal stake” in the outcome of the proceeding.

Plaintiff Joseph Valenti states in the opening paragraph of his Petition that he is the “owner and operator of NERO Live Adventure Games, LLC, a Pennsylvania limited liability company” and that the LLC believes it is and will continue to be damaged by the Mark currently owned by Defendant. Given that the LLC is the aggrieved party, not Joseph Valenti, Mr. Valenti has only an indirect stake in the outcome of the proceeding rather than the required “direct and personal stake,” and therefore lacks standing as the Plaintiff in this action.

If, as Plaintiff alleges, his interest in the cancellation derives from damage to an LLC in which he has an interest, Plaintiff only has derivative standing to pursue a claim on behalf of the LLC. *Irish v. Ferguson*, 970 F.Supp.2d 317, 348; 15 Pa. Cons.Stat. § 8882. With only derivative standing, Mr. Valenti may not bring a suit on behalf of the NERO Live Adventure Games, LLC. 15 Pa. Cons.Stat. § 8882. The only exception would be if the operating agreement provided this right to its owners/members. *Id.* The Petition has not pled any facts pertaining to NERO Live Adventure Games, LLC's operating agreement or Mr. Valenti's express permission to bring a derivative suit on behalf of the LLC.

Despite the introduction of the Petition stating that the LLC is the aggrieved party, the Petition states most of the facts as if Mr. Valenti personally is his business and is harmed by the Mark in question. Simply phrasing the Petition as if the individual is the LLC does not change reality, however. A plaintiff has a real interest if the plaintiff claims senior rights to the mark and claims, not wholly without merit, a likelihood of confusion. *Am. Fid. & Liberty Ins. Co. v. Am. Fid. Group*, CIV. A. 97-4307, 2000 WL 1385899, at *17 (E.D. Pa. Sept. 25, 2000) (*internal citations omitted*). As the LLC is the entity in business which Mr. Valenti claims has senior rights to the mark, and Mr. Valenti is merely the LLC's owner, Mr. Valenti has no standing in this matter.

“Assignee Cannot Lawfully Use the Mark” Is not a Grounds Upon Which a Cancellation Claim may be Based

To demonstrate grounds in a petition for cancellation, a plaintiff may raise any available statutory ground for cancellation that negates the defendant's right to registration. *Jewelers Vigilance Committee Inc. v. Ullenberg Corp.*, 832 F.2d 490, 2 USPQ2d 2021, 2023 (Fed. Cir. 1987). The statutory grounds for cancellation are found at 15 U.S.C. sec 1052.

Here, Plaintiff, Joseph Valenti, has listed three separate grounds for cancellation. His third ground states “that [Defendant] cannot lawfully use the mark.” However, this is not a ground provided by statute and should be dismissed on that basis. Therefore, Defendant moves this Court for an Order dismissing this portion of Mr. Valenti’s Petition.

Plaintiff has failed to properly plead the elements necessary for the grounds of “Likely to Cause Confusion”

Plaintiff’s second ground for cancellation is that the registered mark “... is likely to be confused with a mark previously used and not abandoned by Petitioner...” To sufficiently plead the grounds of “likely to cause confusion”, the complaint must state that Defendant’s mark, as applied to its good or services, so resembles the plaintiff’s previously used or registered mark or its previously used trade name as to be likely to cause confusion, mistake, or deception. 15 U.S.C. sec 1052(d).

Plaintiff must allege that he has used the mark in intrastate or interstate commerce in order to demonstrate that he has established the rights in and to the trademark in question. *Corp. Document Services Inc. v. I.C.E.D. Mgmt. Inc.*, 48 U.S.P.Q.2d 1477 (Trademark Tr. & App. Bd. Sept. 29, 1998), *citing*, *Oland's Breweries Limited v. Miller Brewing Company*, 189 USPQ 481 (TTAB 1975), *aff'd*, 548 F.2d 349, 192 USPQ 266 (CCPA 1976); *Textron Inc. v. Arctic Enterprises, Inc.*, 178 USPQ 315 (TTAB 1973); *R. J. Moran Co. v. Gordon*, 101 USPQ 206 (Comr. 1954).

In his Petition, Mr. Valenti states that he has had continuous use of the mark in commerce for over 19 years. (Paragraph 7). However, Petitioner alleges that he owns and operates a gaming community. (Paragraph 1). He states that he has a website for his community to

communicate and learn about news and gaming events. (Paragraph 3). He claims that he performs under the mark and that his club has many chapters and members domestically and abroad. (Paragraph 4). He states that he operates and controls a Facebook page. (Paragraph 5). Nowhere in the Petition does the Petitioner claim or support use of the Mark in commerce. Using the Mark for promotion of a gaming community is not equal to use of the mark in intrastate or interstate commerce. Therefore, Mr. Valenti has failed to demonstrate that he has any right to the mark in question, and has failed to demonstrate a required element of the grounds of “likely to cause confusion.”

Conclusion

As demonstrated above, Plaintiff does not have standing to pursue this matter. Mr. Valenti has failed to plead any facts pertaining to a right to bring suit on behalf of his LLC, and Mr. Valenti himself has not been harmed. Therefore, he has no real interest in this mark or a reasonable basis to believe he will be damaged by it. Further, even if Mr. Valenti has standing, two of the grounds pled in his Complaint fail. There is no ground for an assignee not legally being able to use a mark, therefore it must be dismissed with prejudice. And to state a claim for a mark to be likely to cause confusion you must have a mark used in commerce. Mr. Valenti has failed to plead any facts to this effect. Therefore, Defendant prays that the Court enter an order Dismissing Mr. Valenti’s Petition with Prejudice.

Dated: May 29, 2017

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CERTIFICATE OF SERVICE

I, Jovanna R. Bearden, certify that on this 29th day of May, 2017, a true and correct copy of the foregoing document was filed with the Trademark Trial and Appeal Board via the Electronic System for Trademark Trials and Appeals and sent by email to Counsel for Plaintiff, Phillip Thomas Horton at NEROLitigation@gmail.com .

Dated: May 29, 2017

By: / Jovanna R. Bearden /
Jovanna R. Bearden