

UNITED STATES PATENT AND TRADEMARK OFFICE
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October 4, 2018

Cancellation No. 92067609

Cancellation No. 92067670

*David B. Eaves and Chicago Stagehand,
LLC*

v.

*Theatrical Stage Employees Union Local No.
2 of the International Alliance of Theatrical
Stage Employees and Moving Picture
Technicians, Artists and Allied Crafts of the
United States and Canada*

By the Trademark Trial and Appeal Board:

This case now comes up for Respondent's renewed motion (filed August 13, 2018) to dismiss the above-captioned proceedings under Fed. R. Civ. P. 12(b)(6) for failure to state a claim. Petitioners filed a brief in response thereto.

I. Background

Respondent and Petitioner David B. Eaves ("Eaves") were involved in Cancellation No. 92055242, styled *Theatrical Stage Employees Union Local No. 2 of the International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada v. Eaves*, which involved Eaves's Registration No. 3761918 on the Supplemental Register for the mark CHICAGO STAGEHAND for "Employment Staffing in the field of labor and

technical support in live corporate, concert and special events” in International Class 35. After that registration was cancelled under Trademark Act Section 8, 15 U.S.C. § 1058, on December 15, 2016, the Board issued a final decision on February 1, 2017, wherein it granted the petition to cancel based on likelihood of confusion under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), with its previously used mark CHICAGO STAGEHANDS in connection with its labor union activities.

Respondent owns a registration on the Principal Register for the mark CHICAGO STAGEHANDS in standard characters for “Clothing, namely, shirts” in International Class 25¹ and a registration on the Supplemental Register for the same mark for “Indicating membership in a union of stagehands” in International Class 200.² Eaves and Petitioner Chicago Stagehand, LLC (“Stagehand”) filed petitions to cancel both registrations. Concurrently with its answers, Respondent filed separate motions to dismiss each of the above-captioned proceedings for failure to state a claim under Rule 12(b)(6). After Petitioners, on April 13, 2018, filed separate amended petitions to cancel, the Board accepted the amended petitions and deemed the motions to dismiss moot. In lieu of answers to the amended petitions, Respondent filed the renewed Rule 12(b)(6) motions. Petitioners filed briefs in response to those motions.

¹ Registration No. 4303933, issued March 19, 2013. The registration includes a disclaimer of CHICAGO. This registration is the subject of Cancellation No. 92067609.

² Registration No. 5331637, issued November 7, 2017. The registration includes a disclaimer of STAGEHANDS. This registration is the subject of Cancellation No. 92067670.

II. General law regarding Rule 12(b)(6) motions

A motion to dismiss under Rule 12(b)(6) is solely a test of the sufficiency of a complaint, in this case the petition to cancel. *See Order of Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1222 (TTAB 1995); TBMP § 503.01. To state a claim upon which relief can be granted, Petitioner need only allege such facts which, if proved, would establish that Petitioner is entitled to the relief sought; that is, (1) Petitioner has standing to bring the proceeding, and (2) a valid statutory ground exists for cancelling the pleaded registration at issue. *See Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007).

III. Standing in both proceedings

Regarding Petitioner's pleading of standing, the starting point for a standing determination in a cancellation proceeding is Trademark Act Section 14, 15 U.S.C. § 1064, which provides that a petition to cancel may be filed by "any person who believes that he is or will be damaged ... by the registration of a mark upon the [P]rincipal [R]egister...." Section 14 establishes a broad class of persons who are proper petitioners; by its terms the statute only requires that a person have a reasonable belief that he or she would suffer some kind of damage if the mark is registered. That is, that person must have a real interest in the proceedings, i.e., a personal interest in the outcome of the proceeding, and a reasonable basis for a belief of damage. *See, e.g., Universal Oil Prod. Co. v. Rexall Drug & Chem. Co.*, 463 F.2d 1122, 1123, 174 USPQ 458, 459 (CCPA 1972).

In the amended petitions to cancel, Petitioners have adequately pleaded their standing in paragraphs 1-3 of the amended petitions to cancel. In particular,

Petitioners have alleged Eaves's ownership of both the mark CHICAGO STAGEHAND for "provid[ing] freelance stage crew to live event venues and live events in the Chicagoland area" and of Stagehand. They have also alleged Stagehand's use of the mark CHICAGO STAGEHAND in so providing. *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982). If proven, these allegations would indicate that Petitioners have a real interest in this case beyond that of the general public and a reasonable basis for a belief of damage.

IV. General law regarding sufficiency of claims

Regarding whether Petitioners have pleaded a valid ground for cancelling the pleaded registration at issue, Federal Rule of Civil Procedure 8(a)(2) requires that a pleading contain a "short and plain statement of the claim showing that the pleader is entitled to relief." Rule 8(a)(2) announces does not require detailed factual allegations, but requires more than labels, conclusions, formulaic recitations of the elements of a cause of action, and naked assertions. *See Ashcroft v. Iqbal*, 555 U.S. 662, 678 (2009). Indeed, "a complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Id.*, quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged. *Id.*, at 678. The plausibility standard is not akin to a "probability requirement," but it asks for more than a sheer possibility of the allegations asserted. *Id.* Indeed, a plaintiff need not allege specific facts that would establish a *prima facie* case for the claim(s) asserted. *See Bell Atlantic Corp.*, 550 U.S. at 547, citing *Swierkiewicz v. Sorema N. A.*, 534 U.S.

506, 508 (2002). In particular, a plaintiff need only allege enough factual matter to suggest its claim is plausible and “raise a right to relief above the speculative level.” *Id.* at 555-56. Although the Board, in deciding a Rule 12(b)(6) motion, must accept as true all factual allegations in the complaint, it is not bound to accept as true a legal conclusion couched as a factual allegation. *Id.* at 555.

V. Cancellation No. 92067609 (Registration No. 4303933)

Regarding whether Petitioners have adequately pleaded a ground for cancellation in Cancellation No. 92067609, Petitioners seek cancellation on grounds that (1) Respondent committed fraud during *ex parte* prosecution of the application for Registration No. 4303933, and (2) the mark is merely decorative or ornamental as used on shirts and therefore does not function as a trademark.

A trademark is obtained fraudulently only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the USPTO. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). Petitioners’ fraud claim is based on allegedly false dates of use.³ *See* paragraphs 15 and 18-23. However, the critical question in this case is whether the mark CHICAGO STAGEHANDS was in use on “shirts” as of the filing date of Respondent’s use-based application for Registration No. 4303933, not as of the dates of use alleged in the application.⁴ *See*

³ Contrary to Petitioners’ apparent belief, a specimen need not establish use as of the first use dates set forth in an application. A specimen need only show the mark in commerce on or in connection with “shirts.” *See* Trademark Rules 2.56(a).

⁴ During *ex parte* prosecution of the application for the registration at issue, Respondent was not required to provide evidence which would establish the dates of first use in the original application. *See* Trademark Rule 2.21(a); TMEP § 202 (October 2017). Rather, Respondent was merely required to aver that the mark was in use in commerce on the identified goods as of the application filing date and to specify the date of first use anywhere and of first use in

Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha, 77 USPQ2d 1917, 1926 (TTAB 2006). If the mark was in use in commerce on “shirts” as of the February 1, 2012 filing date of the application for that registration, then the claimed date of first use, even if false, does not constitute fraud because the first use date is not material to the Office’s decision to approve a mark for publication. *See Hiraga v. Arena*, 90 USPQ2d 1102, 1107 (TTAB 2009). Because Petitioners have not alleged that Respondent falsely averred to use of the mark CHICAGO STAGEHANDS on “shirts” as of the filing date of the application for the involved registration with intent to deceive the USPTO, Petitioners have failed to allege fraud herein.

Petitioners further essentially allege failure to function as a mark because Respondent’s specimens of record indicate that Respondent has only used in the mark on shirts in a decorative or ornamental manner on the left breast pocket. To the extent that Petitioners contend that the registration should be cancelled because the specimens are unacceptable, insufficient specimens are not a basis for cancellation of a registration.⁵ *See Century 21 Real Estate Corp. v. Century Life of Am.*, 10 USPQ2d 2034, 2035 (TTAB 1989).

commerce. *See* Trademark Rule 2.34(a)(1); TMEP §§ 804.02 and 806.01(a). Further, a review of the USPTO file for the registration at issue indicates that Respondent was not asked to provide such evidence. *See* Trademark Rule 2.61(b). It would be unfair to penalize Respondent for not providing evidence that was neither required nor requested during *ex parte* examination. *See Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355, 1358-59 (TTAB 1989).

⁵ Had the examining attorney declined to accept Respondent’s specimens, Respondent would have been allowed an opportunity to submit substitute specimens. *See Century 21 Real Estate Corp.*, 10 USPQ2d at 2035.

Regarding Petitioners' assertion that "Respondent has never been in the clothing or apparel business" (14 TTABVUE 9), Respondent need not be in such business to claim valid trademark use on shirts. Rather, Respondent need only control use of the mark with respect to the nature and quality of the goods sold thereunder. *See* Trademark Act Section 5, 15 U.S.C. § 1055.

Regarding Petitioners' assertion that the mark was not used as a trademark on shirts because it appears on the left breast pocket of those shirts, use of a mark on the goods at issue in a decorative or ornamental manner also serves a secondary source-indicating function where the mark at issue is used on or in connection with additional goods or services other than on which it is used ornamentally. *See In re Paramount Pictures Corp.*, 213 USPQ 1111, 1112 (TTAB 1982) (MORK & MINDY registrable for decals because applicant had a television series of that name and had previously registered MORK & MINDY for various goods and services, and found that the *primary* significance of the term MORK & MINDY to a prospective purchaser of decals was to indicate the television series and the principal characters of the television series); TMEP § 1202.03(c). In view of Petitioners' allegation that Respondent also uses the mark CHICAGO STAGEHANDS in connection with its "union services" (14 TTABVUE 7-8), Petitioners have failed to allege facts which could establish that the mark is used solely in an ornamental or decorative manner with no secondary source identifying function. Accordingly, the claim of failure to function as a mark is insufficient.

Based on the foregoing, Petitioners have failed to state a claim upon which relief can be granted in Cancellation No. 92067609, and the Rule 12(b)(6) motion is granted is granted in that proceeding.

IV. Cancellation No. 92067670 (Registration No. 5331637)

Regarding whether Petitioners have adequately pleaded a ground for cancellation in Cancellation No. 92067670, Petitioners seek cancellation on grounds that (1) Respondent committed fraud during *ex parte* prosecution of the application for Registration No. 5331637, (2) nonuse as a collective membership mark, and (3) the mark is merely descriptive. Regarding the fraud claim, fraud requires an allegation of a specific false statement of material fact made with the intent to deceive the USPTO into issuing the involved registration. *See In re Bose Corp.*, 91 USPQ2d at 1941. Petitioners allege that Respondent executed the declaration in the application declaration despite knowing “that Petitioners were using an almost identical mark for services that Respondent claims are similar.” Paragraph 13. A plaintiff claiming that the declaration or oath in a defendant's application for registration was executed fraudulently, in that there was another use of the same or a confusingly similar mark at the time the oath was signed, must allege particular facts which, if proven, would establish that: (1) there was in fact another use of the same or a confusingly similar mark at the time the oath was signed; (2) the other user had legal rights superior to applicant's; (3) applicant knew that the other user had rights in the mark superior to applicant's, and either believed that a likelihood of confusion would result from applicant's use of its mark or had no reasonable basis for believing otherwise; and

that (4) applicant, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to procure a registration to which it was not entitled. *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1205 (TTAB 1997). “[I]f the other person's rights in the mark, vis-a-vis the applicant's rights, are not known by applicant to be superior or clearly established, e.g., by court decree or prior agreement of the parties, then the applicant has a reasonable basis for believing that no one else has the right to use the mark in commerce, and the applicant's averment of that reasonable belief in its application declaration or oath is not fraudulent.” *Id.* at 1207. Petitioners have failed to allege that they had superior rights to Respondent in the mark at issue and that Respondent knew that Petitioners had such superior rights. Accordingly, Petitioners have failed to allege a sufficient claim of fraud based on the application declaration.

To the extent that Petitioners allege fraud based on allegedly false dates of use, as noted *supra*, false dates of use are generally not fraudulent. To the extent that Petitioners intend to allege nonuse and fraud based on nonuse when the application for the involved registration was filed, Petitioners have failed to plead a specific factual basis therefor. Petitioners allege “[, o]n information and belief and based on the evidence submitted by Respondent in Cancellation No. 92055242, [that] Respondent did not give, sell, order, or produce hats, shirts, buttons, or any item during the claimed dates that demonstrate use of the mark claimed as a collective membership mark” (paragraph 14); “in the specific years between 1950 and until today, Respondent did not use the Mark as a collective membership mark” (paragraph

15) and that “Respondent did not exercise control the use of the mark claimed, through its by-laws or otherwise” (paragraph 16), Petitioners have not alleged that would support either nonuse or fraud based on nonuse. Even if, as Petitioners assert, Respondent did not give, sell, order, or produce hats, shirts, buttons, or any item as early as 1950 or since, it does not follow that Respondent was not using the mark CHICAGO STAGEHANDS to indicate “membership in a union of stagehands” when the application for the involved registration was filed. Petitioners have also failed to plead facts from which the Board could infer nonuse or failure to exercise control of use of the involved mark to so indicate. Moreover, Petitioners have failed to allege any specific facts that would support an inference of deceptive intent. *See Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1479 (TTAB 2009). Accordingly, Petitioners have failed to plead nonuse or fraud based on nonuse.

To the extent that Petitioners intend to allege that Respondent’s involved mark is merely descriptive because the mark is a combination of Respondent’s geographic origin and the generic term for the composition of Respondent’s membership, the Board notes that the involved registration is on the Supplemental Register with a disclaimer of STAGEHANDS. Registration on the Supplemental Register is a concession that the mark is merely descriptive of the identified collective membership. *See Plus Products v. Star-Kist Foods, Inc.*, 220 USPQ 541, 543 (TTAB 1983). Accordingly, a mere descriptiveness claim is unavailable in this case.

Based on the foregoing, the Board finds that Petitioners have failed to set forth a claim upon which relief can be granted in the amended petition to cancel in Cancellation No. 92067670. The renewed motion to dismiss is therefore granted.⁶

VI. Leave to replead granted, dates reset

Proceedings herein are resumed. In keeping with Board practice, Petitioners are allowed until **twenty days** from the mailing date set forth in this order to file second amended petitions to cancel that correct the defects noted in this order, failing which these proceedings will be dismissed. *See* TBMP § 503.03. Remaining dates are reset as follows.

Answers Due	11/13/2018
Deadline for Discovery Conference	12/13/2018
Discovery Opens	12/13/2018
Initial Disclosures Due	1/12/2019
Expert Disclosures Due	5/12/2019
Discovery Closes	6/11/2019
Plaintiff's Pretrial Disclosures Due	7/26/2019
Plaintiff's 30-day Trial Period Ends	9/9/2019
Defendant's Pretrial Disclosures Due	9/24/2019
Defendant's 30-day Trial Period Ends	11/8/2019
Plaintiff's Rebuttal Disclosures Due	11/23/2019
Plaintiff's 15-day Rebuttal Period Ends	12/23/2019
Plaintiff's Opening Brief Due	2/21/2020
Defendant's Brief Due	3/22/2020
Plaintiff's Reply Brief Due	4/6/2020
Request for Oral Hearing (optional) Due	4/16/2020

⁶ Petitioners may not use the above-captioned proceedings to relitigate Cancellation No. 92055242. Inasmuch as no appeal of the Board's decision in that case was filed in that case, the judgment in that case is final.

Generally, the Federal Rules of Evidence 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, the manner and timing of taking testimony, matters in evidence, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition 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).