

ESTTA Tracking number: **ESTTA883025**

Filing date: **03/13/2018**

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

Proceeding	92067609
Party	Defendant Theatrical Stage Employees Union Local No. 2 of the International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artist and Allied Crafts of the United States and Canada
Correspondence Address	THEATRICAL STAGE EMPLOYEES UNION LOCAL #2 EL AL 216 SOUTH JEFFERSON ST STE 400 CHICAGO, IL 60661 UNITED STATES
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Robert S. Rigg
Filer's email	rrigg@vedderprice.com, jburke@vedderprice.com, skowalski@vedderprice.com, ipdocket@vedderprice.com
Signature	/Robert S. Rigg/
Date	03/13/2018
Attachments	Motion to Dismiss Petition for Cancellation.pdf(60732 bytes)

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

David B. Eaves and Chicago Stagehand, LLC,

Petitioners,

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,

Respondent.

Cancellation No.: 92067609

Mark: CHICAGO STAGEHANDS

Registration No.: 4,303,933

MOTION TO DISMISS PETITION FOR CANCELLATION

Pursuant to Trademark Rule of Practice 2.127, FED. R. CIV. P. 12(b)(6), and Section 503 of the Trademark Trial and Appeal Board Manual of Procedure (the “TBMP”), Respondent 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 (“Respondent”) hereby moves to dismiss the Petition for Cancellation (the “Petition”) of Respondent’s U.S. Registration No. 4,303,933 (the “CHICAGO STAGEHANDS Registration”) filed by petitioners David B. Eaves and Chicago Stagehand, LLC (“Petitioners”).

PRELIMINARY STATEMENT

This is not the first contested proceeding between these parties. Respondent previously brought Cancellation Proceeding No. 92055242 seeking cancellation of David B. Eaves’ U.S. Registration No. 3,761,948 on the Supplemental Register for the mark CHICAGO STAGEHAND for use with “Employment Staffing in the field of labor and technical support in live corporate, concert and special events” in International Class 35 (“Eave’s’ ’948 Registration”). The Trademark Trial and Appeal Board (the “TTAB” or the “Board”) found that

there was a likelihood of confusion between the mark that was the subject of Eave's' '948 Registration and Respondent's mark CHICAGO STAGEHANDS (under which Respondent has offered labor union activities for over 60 years) and that Respondent had priority based on its long-standing use. The Board cancelled Eave's' '948 Registration on June 28, 2017.

A mere six months later, Petitioners filed the instant Petition for Cancellation, which is clearly deficient.

First, Petitioners lack standing. To establish standing, a petitioner must plead sufficient facts to establish that it has a real interest in the outcome of the proceeding. Here, Petitioners fail to allege any facts that show that they will suffer damage if Respondent is permitted to maintain its CHICAGO STAGEHANDS Registration going forward.

Second, Petitioners fail to assert a valid basis for cancellation of the CHICAGO STAGEHANDS Registration.

The Board should not permit Petitioners to harass Respondent by bringing baseless litigation. Because Petitioners fail to plead either standing or a valid basis for cancellation of the CHICAGO STAGEHANDS Registration, the Board should dismiss the Petition.

LEGAL STANDARD

To survive a motion to dismiss, "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, 663, 129 S. Ct. 1937, 1949 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570, 127 S. Ct. 1955, 1974 (2007)). A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw a reasonable inference that the defendant is liable for the misconduct alleged. *See Twombly*, 550 U.S. at 556-57. However, the plausibility standard does not require that a plaintiff set forth detailed factual allegations. *Id.* Rather, 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.” *Totes-Isotoner Corp. v. U.S.*, 594 F.3d 1346, 1354 (Fed. Cir. 2010). Moreover, it is well established that whether a plaintiff can actually prove its allegations is not a matter to be determined upon a motion to dismiss, but rather at final hearing or upon summary judgment, after the parties have had an opportunity to submit evidence. *See Libertyville Saddle Shop Inc. v. E. Jeffries & Sons, Ltd.*, 22 U.S.P.Q.2d 1594, 1597 (T.T.A.B. 1992) (“A motion to dismiss does not involve a determination of the merits of the case.”).

For purposes of determining such motion, all of the plaintiff’s well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to the plaintiff. *See Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 1161, 26 U.S.P.Q.2d 1038, 1041 (Fed. Cir. 1993). As a plaintiff, the claimant must plead factual content that allows the Board to draw a reasonable inference that it has standing and that a valid ground for cancellation exists. *Cf. Twombly*, 550 U.S. at 556. 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,” to state a claim plausible on its face. *Iqbal*, 129 S. Ct. at 1949 (citing *Twombly*, 550 U.S. at 555).

ARGUMENT

The Petition fails to state a claim on which relief can be granted and should be dismissed for several reasons.

First, Petitioners do not have standing to challenge the CHICAGO STAGEHANDS Registration because Petitioners fail to allege (and cannot reasonably allege) any damage from the ongoing existence of the CHICAGO STAGEHANDS Registration. Second, Petitioners’ allegation regarding the alleged decorative use of wording on the specimen submitted in connection with the CHICAGO STAGEHANDS Registration is not a valid basis for cancellation. Third, Petitioners fail to state a claim for fraud on the United States Patent and

Trademark Office. Fourth, Petitioners' allegation regarding the alleged lack of acquired distinctiveness of the mark that is the subject of the CHICAGO STAGEHANDS Registration is not a valid basis for cancellation. Finally, Petitioners fail to state a claim setting forth any other valid basis for cancellation of the CHICAGO STAGEHANDS Registration.

I. Petitioners Lack Standing to Bring This Cancellation.

The Board should dismiss the Petition because Petitioners lack standing to bring this cancellation.

Standing is a threshold issue for which Petitioners bear the burden of proof. *Lipton Indus. v. Ralston Purina Co.*, 670 F.2d 1024, 213 U.S.P.Q. 1851 (C.C.P.A.); see *Young v. AGB Corp.*, 47 U.S.P.Q.2d 1752, 1754 (a petitioner must show that it “possesses standing to challenge the continued presence on the register of the subject registration” (quoting *Lipton Indus., Inc.*, 213 U.S.P.Q. at 187)); *Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed. Cir. 1999) (stating that standing requirements “[stem] from a policy of preventing ‘mere intermeddlers’ who do not raise a real controversy from bringing oppositions or cancellation proceedings in the PTO”).

To meet their burden, Petitioners must demonstrate that they have both a “real interest” in the outcome of the proceeding and a “reasonable basis” for their belief that they would suffer some kind of concrete, personalized damage by the continued existence of the CHICAGO STAGEHANDS Registration. See *Empresa Cubana del Tabaco*, 753 F.3d 1270, 111 U.S.P.Q.2d 1058, 1062 (citing *Ritchie v. Simpson*, 170 F.3d 1902, 50 U.S.P.Q.2d 1023, 1025-26 (Fed. Cir. 1999) (“[T]he opposer must have a direct and personal stake in the outcome of the opposition.”)); *Universal Oil Prods. Co. v. Rexall Drug & Co.*, 463 F.2d 1122, 1123, 174 U.S.P.Q. 458, 459 (C.C.P.A. 1972).

Here, the Petition lacks any basis for the unsupported allegation that Petitioners will suffer damage as a result of continued registration of the CHICAGO STAGEHANDS Registration. Specifically, Petitioners merely allege:

Chicago Stagehand, LLC is a sole member limited liability company, doing business as CHICAGO STAGEHAND. Chicago Stagehand, LLC provides freelance stage crew to live event venues and live events in the Chicagoland area including interstate commerce.

Chicago Stagehand, LLC has been in business since late 2008 and has invested substantial effort and money into developing the CHICAGO STAGEHAND brand. It continues to do business and develop the CHICAGO STAGEHAND brand and will be damaged by the existence of U.S. Registration No. 4,303,933. David B. Eaves is the owner of the Mark CHICAGO STAGEHAND, the owner of Chicago Stagehand, LLC and the applicant for the mark CHICAGO STAGEHAND for “employment staffing in the field of labor and technical support in live corporate, concert and special events,” (U.S Ser. No. 86/399,091) and will be damaged by the existence of U.S. Registration No. 4,303,933.

(Pet. Dkt. No. 1, ¶¶ 1–2.).

Notably, the Petition lacks any of the traditional bases of standing to bring a cancellation proceeding, such as the non-exhaustive list of allegations to demonstrate standing set forth in TBMP § 309.03(b). Specifically, Petitioners have failed to plead that their use of the term CHICAGO STAGEHAND was prior to any rights Respondent may assert¹ or that there is a likelihood of confusion between the mark that is the subject of the CHICAGO STAGEHANDS Registration and Petitioners’ use of the term CHICAGO STAGEHAND. Further, the Petition does not allege that the goods offered under the CHICAGO STAGEHANDS Registration are similar to any goods or services offered by Petitioners, and it fails to provide any explanation or support for Petitioners’ asserted belief that the existence of the CHICAGO STAGEHANDS Registration causes harm to Petitioners.

¹ This is unsurprising, as the Board previously held that Respondent has offered labor union services since well before Petitioners first offered their employment staffing services. *See Theatrical Stage Emps. Union Local No. 2 v. Eaves*, Cancellation No. 92055242, Dkt. No. 117, at *32 (T.T.A.B. Feb. 1, 2017) (non-precedential).

Similarly, Petitioners do not assert that they have been refused registration of the term CHICAGO STAGEHAND or that they have a bona fide interest in using a similar mark for related goods. *See Int'l Tel. & Tel. Corp., v. Int'l Mobile Machs. Corp.*, 218 U.S.P.Q. 1024, 1027 (T.T.A.B. 1983) (finding that a petitioner who had alleged that the respondent had abandoned its registered mark and that the registered mark would bar registration of its own mark failed to establish standing because it “neither [alleged] a likelihood of confusion nor that it has actually been refused registration of its mark in view of respondent’s registration”). Petitioners do not assert that they currently offer clothing under the mark CHICAGO STAGEHAND, or even that they intend to offer clothing in the future. While Petitioners assert ownership over pending U.S. Trademark Application Serial No. 86/399,091 (“Petitioners’ Application”), they do not assert that there is a likelihood of confusion between the mark that is the subject of Petitioners’ Application and the mark that is the subject of the CHICAGO STAGEHANDS Registration.²

“In order to possess standing or a real interest in seeking to challenge a registration on the ground of abandonment, it is incumbent on the petitioner to establish use of the same or a similar mark for the same or similar goods or services so that the continued existence of the registration . . . would be or is in derogation of petitioner’s right to use its mark in commerce.” *Ralston Purina Co. v. Lipton Indus., Inc.*, 209 U.S.P.Q. 538, 540 (T.T.A.B. 1981). *See also Crown Wallcovering Corp. v. The Wall Paper Mfrs. Ltd.*, 188 U.S.P.Q. 141, 143 (C.C.P.A. 1982); *Geraghty Dyno-Tuned Prods., Inc. v. Clayton Mfg. Co.*, 190 U.S.P.Q. 508, 512 (T.T.A.B. 1976).

² Notably, the CHICAGO STAGEHANDS Registration was not cited against Petitioners’ Application by the Trademark Office.

As Petitioners have failed to make any allegation that they are using a mark similar to that of the CHICAGO STAGEHANDS Registration for similar goods, Petitioners lack standing to challenge the CHICAGO STAGEHANDS Registration. This is precisely the type of generalized action by a “mere intermeddler” that the standing requirement is intended to prevent. *See Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed. Cir. 1999).

Therefore, Petitioners have no real interest in this proceeding and do not have standing to bring this cancellation proceeding.

II. Petitioners Fail to State a Legally Permissible Ground for Cancellation.

Even if Petitioners had standing to bring the instant proceeding (which they do not), Petitioners have failed to plead a valid statutory basis to support cancellation of the CHICAGO STAGEHANDS Registration. *See, e.g.*, TBMP §309.03(c) (“In addition to standing a plaintiff must also plead (and later prove) a statutory ground or grounds for opposition or cancellation.”).

The final paragraph of the Petition asserts three purported grounds for cancellation,³ alleging:

Respondent’s Specimen and claims do not support use of the claimed mark as a trademark for shirts because: a) the use of the words on the Specimen are decorative use not trademark use for apparel, b) Respondent has committed Fraud on the United States Patent and Trademark office during the filing of the Application for the Registration, and c) the Mark has not acquired distinctiveness.

(Pet. Dkt. No. 1, ¶ 15.) As set forth below, each of these purported grounds is either insufficiently pleaded or is not a legally cognizable basis for cancellation. Further, the allegations of the Petition taken as a whole fail to set forth any other permissible basis for cancellation.

³ Notably, Petitioners fail to cite to any section of the Lanham Act as a basis for cancellation.

A. “Decorative Use” on a specimen is not a basis for cancellation.

Petitioners allege that “[t]he appearance of any logo or words on [photographs of articles of clothing submitted as specimens] is strictly decorative and not for the purpose of promoting a brand of clothing or apparel.” (Petition, Dkt. No. 1 ¶ 1.) This is not a valid basis for cancellation.

First, “an alleged error in the examination of an application or of an application for renewal cannot form the basis of an *inter partes* challenge to the registration of the mark.” *Harry Winston, Inc. & Harry Winston S.A. v. Bruce Winston Gem Corp.*, 111 U.S.P.Q.2d 1419, 1432 n.70 (T.T.A.B. 2013); *AS Holdings, Inc. v. H & C Milcor, Inc.*, 107 U.S.P.Q.2d 1829 (T.T.A.B. 2013); *Saint-Gobain Abrasives, Inc. v. Unova Indus. Automation Sys., Inc.*, 66 U.S.P.Q.2d 1355 (T.T.A.B. 2003) (“It would be manifestly unfair to penalize [a] defendant for non-compliance with a requirement that was never made by the Examining Attorney.”). Thus, any alleged deficiency in the particular specimens submitted to the Trademark Office during prosecution of the application that resulted in the CHICAGO STAGEHANDS Registration is not a valid ground for cancellation. Significantly, Petitioners do not allege that the *mark* that is the subject of the CHICAGO STAGEHANDS Registration is “decorative,” merely that the particular use of the mark as shown on a specimen is decorative (an assertion that contradicts the findings of the Trademark Office).⁴

Second, even accepting for the sake of argument that the mark displayed on the specimen was ornamental and that Petitioners could pursue a cancellation based on a defect in the specimen, the Petition has not pleaded sufficient grounds to cancel the CHICAGO STAGEHANDS Registration on the basis of a failure to function as a mark. As the Board has

⁴ Not only did the Trademark Office grant the CHICAGO STAGEHANDS Registration on the Principal Register, but the specimen properly depicts the mark used as a trademark.

previously explained, “[t]he ‘ornamentation’ of a T-shirt can be of a special nature which inherently tells the purchasing public the source of the T-shirt, not the source of manufacture but the secondary source. Thus, the name ‘New York University’ and an illustration of the Hall of Fame, albeit it will serve as ornamentation on a T-shirt will also advise the purchaser that the university is the secondary source of that shirt.” *In re Lululemon Athletica Can. Inc.*, 105 U.S.P.Q.2d 1684, 1689 (T.T.A.B. 2013) (quoting *In re Olin Corp.*, 181 U.S.P.Q. 182, 182 (T.T.A.B. 1973)). Here, while the Petition alleges that the mark is decorative, the Petition fails to plead that the public does not recognize the mark CHICAGO STAGEHANDS *as a mark*.⁵

B. Petitioners have failed to allege the specific factual elements necessary to sustain a claim of fraud.

“A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof.” *In re Bose Corp.*, 580 F.3d 1240, 1243, 91 U.S.P.Q.2d 1938, 1939 (Fed. Cir. 2009). “[T]he very nature of the charge of fraud requires that it be proven ‘to the hilt’ with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.” *Id.* (quoting *Smith Int’l, Inc. v. Olin Corp.*, 209 U.S.P.Q. 1033, 1044 (T.T.A.B. 1981)). “[A] trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.” *In re Bose Corp.*, 580 F.3d at 1245, 91 U.S.P.Q.2d at 1941.

Petitioners’ allegations of fraud are deficient for at least three reasons.

⁵ Petitioners’ contention that the appearance of the mark on the specimen is “not for the purpose of promoting a brand of clothing or apparel” is insufficient and unavailing, as this is not the standard.

First, the Petition contains lacks any allegation that Respondent acted with any intent to mislead or deceive the Trademark Office. This alone renders Petitioners' purported fraud claim untenable.

Second, Petitioners fail to identify any specific act(s) by Respondent which could constitute fraud. Indeed, Petitioners admit that both Respondent and Respondent's members have obtained and sold items of clothing bearing the mark. (Pet. Dkt. No. 1, ¶ 7.) Petitioners further admit that the specimens submitted in connection with the CHICAGO STAGEHANDS Registration reflect articles of clothing that were actually sold by Respondent prior to the filing date of the application that resulted in the CHICAGO STAGEHANDS Registration. (Pet. Dkt. No. 1, ¶ 12.) Finally, even if Respondent submitted false or incorrect dates of first use in connection with the CHICAGO STAGEHANDS Registration, "such false statements would not rise to the level of fraud." *OTH Enters., Inc. v. Vasquez*, 2012 T.T.A.B. LEXIS 374, at *56 (TTAB 2012); *see also Decho Corp. v. Mueller*, 2011 TTAB LEXIS 241, at *33-34 (T.T.A.B. 2011) ("The fact that a party set forth erroneous dates of first use, by itself, does not necessarily constitute fraud."). Here, because Petitioners concede that the mark was used in commerce prior to the filing date of the application that resulted in the CHICAGO STAGEHANDS Registration, any error in the submitted dates of first use would not be material and could not rise to the level of fraud on the Trademark Office.

Third, pleadings upon information and belief are insufficient to allege a count of fraud, unless the pleading otherwise sets forth a clear basis for the fraud claim. *Asian & W. Classics B.V. v. Lynne Selkow*, 92 U.S.P.Q.2d 1478, 1479 (T.T.A.B. 2009) ("Pleadings of fraud made 'on information and belief,' when there is no allegation of 'specific facts upon which the belief is reasonably based' are insufficient.") (quoting *Exergen Corp. v. Wal-Mart Stores Inc.*, 91

U.S.P.Q.2d 1656, 1670 (Fed. Cir. 2009)). Here, Petitioners' allegations made "on information and belief" are legally insufficient to make out a claim of fraud.

C. Acquired distinctiveness is irrelevant.

The CHICAGO STAGEHANDS Registration was registered on the Principal Register without a claim of acquired distinctiveness under Section 2(f) of the Lanham Act. As such, Petitioners' allegations that the mark that is the subject of the CHICAGO STAGEHANDS Registration has not acquired distinctiveness are irrelevant: the mark is presumed to be inherently distinctive.

To the extent Petitioners intended to allege that Respondent's mark is merely descriptive of the goods with which it is used, Petitioners have utterly failed to plead the basic elements of this claim. Petitioners have not alleged that the mark is not inherently distinctive. Further, Petitioners have not made any allegation that the mark is descriptive of the goods for which it was registered (namely, clothing). *See, e.g., Couch/Braunsdorf Affinity, Inc. v. 12 Interactive, LLC*, 110 U.S.P.Q.2d 1458, 1473 (T.T.A.B. 2014) ("Whether a particular term is merely descriptive is determined in relation to the goods or services for which registration is sought and the context in which the term is used, not in the abstract or on the basis of guesswork.").⁶

D. Petitioners have not alleged any other viable grounds for cancellation.

To the extent Petitioners attempt to rely upon the contents of the ESTTA cover sheet (which set forth six grounds for cancellation), the mere mention of a basis for cancellation on a cover sheet is insufficient to survive a motion to dismiss if the ground is not sufficiently alleged in the attached pleading. *See, e.g., Embarcadero Techs., Inc. v. RStudio, Inc.*, 105 U.S.P.Q.2d

⁶ The Board's prior statements in Cancellation No. 92055242 regarding the distinctiveness of the marks at issue in that proceeding are irrelevant here, as the Board was not considering the mark CHICAGO STAGEHANDS in relation to clothing.

1825, 1828 n.2 (T.T.A.B. 2013) (“Although the content of the ESTTA cover sheet is read in conjunction with the notice of opposition as an integral component, the mere mention of a ground therein is insufficient.”) (internal citation omitted); *Barclays Capital Inc. v. Tiger Lily Ventures Ltd*, 124 U.S.P.Q.2d 1160, 1167 (T.T.A.B. 2017) (“Although Tiger Lily asserts on the ESTTA cover sheet and in the preamble of its pleading that it opposes registration on the ground of likelihood of confusion, the Board finds no allegations in the pleading that support such claim.”). As none of the bases listed on the ESTTA cover sheet are expounded upon in the body of the Petition, these bases are also insufficiently pleaded. *See, e.g.*, TBMP § 30903(c) (“In pleading the grounds for opposition or cancellation, citation to a section of the statute, although encouraged and often helpful in clarifying the nature of a set of allegations in a pleading, may not be sufficient to plead a claim under that section or place a defendant on proper notice of the extent of the claim.”).

III. Conclusion.

Because Petitioners have failed to plead standing or any viable basis for cancellation, the Petition should be dismissed in its entirety.

Respectfully submitted,

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: /s/Robert S. Rigg
One of Its Attorneys

Robert S. Rigg
John K. Burke
Vedder Price P.C.
222 North LaSalle Street
Chicago, Illinois 60601
T: +1 312 609 7500

Dated: March 13, 2018

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on March 13, 2018, the foregoing document(s) were caused to be served on the person(s) listed below via electronic mail.

Catherine Simmons-Gill
Offices of Catherine Simmons-Gill, LLC
111 West Washington St. Ste. 1110
Chicago, IL 60602
United States
simmonsgill@gmail.com, fraczekp@gmail.com

/s/Robert S. Rigg
Robert S. Rigg