

UNITED STATES PATENT AND TRADEMARK OFFICE  
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July 19, 2018

Cancellation No. **92067785**

*Homie, Inc.*

*v.*

*Homeme, Inc.*

**By the Trademark Trial and Appeal Board:**

This matter comes up on Respondent's motion (filed March 7, 2018) to dismiss the petition for cancellation pursuant to Fed. R. Civ. P. 12(b)(6).<sup>1</sup> The motion is fully briefed.

Background

On January 23, 2018, Petitioner filed a petition to cancel Registration No. 3762332<sup>2</sup> on grounds of fraud and abandonment. By the Board's institution order of

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<sup>1</sup> Although styled as a motion for judgment on the pleadings under Fed. R. Civ. P. 12(c), and only alternatively as a motion to dismiss under Fed. R. Civ. P. 12(b)(6), the basis of Respondent's motion, i.e., the putative insufficiency of Petitioner's claims, falls squarely within the ambit of Rule 12(b)(6). The Board has, therefore, considered the motion as a motion to dismiss under Fed. R. Civ. P. 12(b)(6). A motion for judgment on the pleadings will only be considered if filed after the pleadings have closed, *see* Fed. R. Civ. P. 12(c), since such motion is a test solely of the undisputed facts appearing in all the pleadings, supplemented by any facts of which the Board will take judicial notice. *See Ava Enters. Inc. v. P.A.C. Trading Group, Inc.*, 86 USPQ2d 1659, 1660 (TTAB 2008). As Respondent filed its motion in lieu of an answer, the motion, to the extent it seeks judgment under Rule 12(c), is premature.

January 26, 2018, Respondent's time to answer the petition was set to March 7, 2018. On March 7, 2018, Respondent filed the present motion. As the motion was filed prior to answer, it is timely. *See* Fed. R. Civ. P. 12(b).

### Decision

To withstand a motion to dismiss under Fed. R. Civ. P. 12(b)(6), a plaintiff need only allege sufficient factual content that, if proved, would allow the Board to conclude, or to draw a reasonable inference, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing an application or cancelling a registration. *Doyle v. Al Johnson's Swedish Rest. & Butik Inc.*, 101 USPQ2d 1780 (TTAB 2012). The complaint, therefore, must allege "enough facts to state a claim to relief that is plausible on its face." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570, 127 S.Ct. 1955, 1974 (2007). 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. 662, 678, 129 S.Ct. 1937, 1949 (2009). For purposes of determining a motion to dismiss for failure to state a claim, all of a plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the

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<sup>2</sup> For HOMEY in standard characters for "providing real estate listings and real estate information via the Internet; providing an interactive online website that permits users to submit bids, schedule showings and request information for selected real estate properties" in International Class 36 and "computer services, namely, providing an online search engine that enables users to access real estate listings and real estate information from a database according to user selected criteria" in International Class 42. The underlying application was filed on February 19, 2009, under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), and registered on the Principal Register on March 23, 2010. A combined declaration of use and incontestability under Sections 8 & 15 of the Trademark Act was filed on March 10, 2016, and accepted by the USPTO on May 19, 2016.

light most favorable to the plaintiff. *See Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007).

Standing

Turning first to the question of standing, Petitioner need only demonstrate that it has a “real interest,” i.e., a personal stake, in the outcome of the proceeding and a reasonable basis for its belief of damage. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999). Here, Petitioner has alleged its filing of several trademark applications and their refusal “by the Examining Attorney on the basis of likelihood of confusion” with the subject registration. *Petition for Cancellation*, ¶ 5. This is sufficient to plead Petitioner’s standing. *See Parfums Nautee Ltd. v. American Int’l Indus.*, 22 USPQ2d 1306, 1307 (TTAB 1992) (petitioner has standing to seek cancellation of registration cited against its application).

Fraud

Fraud in procuring or maintaining a trademark registration occurs when “the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.” *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). Fed. R. Civ. P. 9(b) requires that a party state with particularity the circumstances constituting the fraud. *See King Automotive, Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 USPQ 801, 803 (CCPA 1981) (“pleadings [must] contain explicit rather than implied expressions of the circumstances constituting fraud”). Pleadings of fraud made “on information and belief” with no

allegations of “specific facts upon which the belief is reasonably based” are insufficient. *Exergen Corp. v. Wal-Mart Stores Inc.*, 91 USPQ2d 1656, 1670 (Fed. Cir. 2009). And while Rule 9(b) permits “knowledge” and “intent” to be averred generally, the pleadings must “allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind.” *Id.* at 1667.

Respondent’s complaint against the fraud claim is three-fold: 1) Petitioner failed to plead intent, 2) Petitioner’s allegations made on “information and belief” are factually unsupported, and 3) the filing of an affidavit of incontestability under Section 15 “is optional and is not material to the Office’s decision to issue a registration.” *Motion to Dismiss*, 4 TTABVUE 6.

In reviewing the petition for cancellation, the Board takes little issue with Petitioner’s allegations made on “information and belief” as they constitute more than simply a threadbare recital of the elements of a fraud cause of action. While many of the paragraphs in the petition are prefaced by “information and belief,” those paragraphs also allege sufficient factual matter to provide Respondent with notice of the basis for Petitioner’s “belief” and its claim of fraud. For instance, in ¶¶ 22 – 23 of the petition, Petitioner alleges, “[u]pon information and belief,” that the subject mark was not used “in commerce continuously for five consecutive years after the date of registration” and, as such, “false statements [were made in connection with] the filing of the Section 15 affidavit of incontestability, and such false statements were material and made knowingly.” As Petitioner’s “belief” is

clearly informed by the facts recited in ¶¶ 7 – 14, there is no merit to the contention that Petitioner’s fraud claim lacks factual support.

Equally without merit is the notion that a Section 15 affidavit of incontestability cannot form the basis of a fraud claim because it is immaterial to a mark’s registration or its maintenance. However, this very same argument was addressed and rejected by the Board in *Crown Wallcovering Corp. v. Wall Paper Mfrs. Ltd.*, 188 USPQ 141 (TTAB 1975), wherein the Board noted that “[w]hile a Section 15 affidavit is not required for the maintenance of a registration, it must be filed if a registrant wishes to secure that additional right of registration known as incontestability” which, pursuant to Section 33(b), 15 U.S.C. § 1115(b), is “the right to have his registration accepted as conclusive evidence, rather than merely prima facie evidence, of registrant’s exclusive right to use the registered mark in commerce,” and ultimately determined “that the filing of a fraudulent Section 15 affidavit constitutes a ground for cancelation of the involved registration within the purview of Section 14(c).” *Crown Wallcovering Corp.*, 188 USPQ at 143-144.

As to Respondent’s contention that Petitioner has failed to plead fraudulent intent, the point is well-taken. “Subjective intent to deceive ... is an indispensable element” of fraud. *In re Bose*, 91 USPQ2d at 1941. Thus, while Petitioner has pled that Respondent’s predecessor in interest made knowingly false and material statements, Petitioner has failed to plead that such statements were made with the intent to deceive the USPTO. Without an averment of such intent, Petitioner’s claim of fraud is legally insufficient.

Accordingly, Respondent's motion to dismiss the fraud claim is **GRANTED**.

Abandonment

A legally sufficient claim of abandonment must allege facts that "set forth a *prima facie* case of abandonment by a pleading of at least three consecutive years of non-use or must set forth facts that show a period of non-use less than three years coupled with an intent not to resume use." *Otto Int'l, Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1863 (TTAB 2007). Petitioner has done so in its petition, averring non-use since April 14, 2016, and "no *bona fide* intention to use the HOMEY mark in the future in commerce in connection with the services" in the involved registration. *See Petition for Cancellation*, ¶ 27. Moreover, the Board finds the facts alleged by Petitioner in ¶¶ 7 – 10 and 13 – 16 of the petition sufficient to inform Respondent of the basis for Petitioner's claim of abandonment.

In view thereof, Respondent's motion to dismiss the abandonment claim is **DENIED**.

As it is the general practice of the Board to allow a party an opportunity to correct a defective pleading, particularly when the pleading is the initial one, *see Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711, 1714 (TTAB 1993), **Petitioner is allowed until AUGUST 20, 2018, to file an amended petition for cancellation repleading its fraud claim in accordance with this order if Petitioner believes it has a basis for doing so, failing which this cancellation proceeding will proceed solely on the abandonment claim.**

Proceedings herein are **RESUMED** and dates are **RESET** as follows:

Amended Petition for Cancellation Due	8/20/2018
Time to Answer	9/19/2018
Deadline for Discovery Conference	10/19/2018
Discovery Opens	10/19/2018
Initial Disclosures Due	11/18/2018
Expert Disclosures Due	3/18/2019
Discovery Closes	4/17/2019
Plaintiff's Pretrial Disclosures Due	6/1/2019
Plaintiff's 30-day Trial Period Ends	7/16/2019
Defendant's Pretrial Disclosures Due	7/31/2019
Defendant's 30-day Trial Period Ends	9/14/2019
Plaintiff's Rebuttal Disclosures Due	9/29/2019
Plaintiff's 15-day Rebuttal Period Ends	10/29/2019
Plaintiff's Opening Brief Due	12/28/2019
Defendant's Brief Due	1/27/2020
Plaintiff's Reply Brief Due	2/11/2020
Request for Oral Hearing (optional) Due	2/21/2020

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, 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 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).

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