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UNITED STATES PATENT AND TRADEMARK OFFICE
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April 11, 2019

Cancellation No. 92068213

Charles Bertini

v.

Apple Inc.

By the Board:

On October 9, 2018, the Board granted Respondent's motion (filed June 7, 2018) to dismiss Petitioner's first amended petition for cancellation for failure to state a claim upon which relief may be granted. While the Board found that Petitioner had sufficiently pleaded his standing, the Board determined that Petitioner's abandonment claim and seven separate fraud claims were insufficiently pleaded and that his likelihood of confusion claim was untimely under Trademark Act Section 14, 15 U.S.C. § 1064. The Board, however, allowed Petitioner leave to amend his pleading.[1] 11 TTABVUE 15. On October 28, 2018, Petitioner filed his second amended petition for cancellation alleging abandonment, nonuse and fraud as grounds for cancellation.

[1] The Board dismissed several of the fraud claims and the likelihood of confusion claim with prejudice.

This case now comes up for consideration of Respondent's motion (filed November 29, 2018) to dismiss the second amended petition for failure to state a claim upon which relief may be granted. The motion is fully briefed.

The Board presumes the parties' familiarity with the pleadings, the history of the proceeding, and the arguments and materials submitted in connection with the subject motion. The Board has considered the arguments and evidence submitted in connection with the motion, but does not repeat or discuss all of the arguments and submissions, and does not address irrelevant arguments. *Guess? IP Holder L.P. v. Knowluxe LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015). In addition, for the sake of brevity, the Board does not repeat the applicable legal standard for withstanding a motion to dismiss.

A. Fraud

Turning first to Petitioner's fraud claim, the Board finds that Petitioner has again failed to plead a legally sufficient claim of fraud in the second amended petition. In the Board's October 9, 2018 order, the Board advised Petitioner that "while knowledge and intent, as conditions of mind, may be alleged generally under Fed. R. Civ. P. 9(b), the pleading must 'allege sufficient underlying facts from which [the Board] may reasonably infer that a party acted with the requisite state of mind.'" 11 TTABVUE 8 (quoting *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 91 USPQ2d 1656, 1668 (Fed. Cir. 2009)). In the second amended petition, Petitioner's allegation that the allegedly false statements made in the statement of use "were

made knowingly and intentionally"[2] is merely conclusory. Petitioner does not plead any facts from which the Board may infer that Respondent acted knowingly with the intent to deceive the USPTO into issuing a registration to which it was not entitled. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1943 (Fed. Cir. 2009). Accordingly, Respondent's motion to dismiss is **granted** with respect to the amended fraud claim.

Because the Board has found that Petitioner failed to sufficiently plead his seven asserted counts of fraud in his first amended petition for cancellation and Petitioner has again failed to plead a legally sufficient fraud claim in his second amended petition, the Board finds that granting leave to replead the fraud claim would not serve the interests of justice. *Bayer Consumer Care AG v. Belmora LLC*, 90 USPQ2d 1587, 1590-91 (TTAB 2009) (because petitioner twice failed to properly allege prior use, petitioner's Trademark Act § 2(d) claim was dismissed with prejudice); *McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ 45, 48 (TTAB 1985) (plaintiff had already been allowed two opportunities to perfect its pleading, therefore, the Board did not find that it was in the interests of justice to grant plaintiff an additional opportunity to amend the complaint). Accordingly, Petitioner's fraud claim is **dismissed with prejudice**.[3]

[2] Second Amended Petition for Cancellation at ¶ 53, 12 TTABVUE 12.

[3] The Board notes that a party alleging fraud bears a heavy burden of proof with no room for speculation. *See In re Bose Corp.*, 91 USPQ2d at 1943 (citing *W.D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 377 F.2d 1001, 1004, 153 USPQ 749 (CCPA 1967)).

B. Abandonment

To plead a legally sufficient claim of abandonment a plaintiff must plead at least three consecutive years of non-use *or* must set forth facts that show a period of non-use less than three years with an intent not to resume use. Trademark Act Section 45, 15 U.S.C. 1127; *See Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390, 1393 (Fed. Cir. 1990); *Otto Int'l Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1863 (TTAB 2007). In this case, the Board finds that Petitioner has pleaded sufficient allegations, in the second amended petition, to support a claim of abandonment under Trademark Act Section 45. Petitioner has alleged a period of at least three consecutive years of non-use of the mark and has pleaded factual allegations to support the claim. Contrary to Respondent's argument, under Fed. R. Civ. P. 8(a)(2), a pleading of "a short and plain statement of the claim" does not require Petitioner to allege detailed facts establishing a *prima facie* case for abandonment under Section 45. "We see no purpose to such detailed pleading requirements for an abandonment claim besides unnecessarily complicating the pleadings." *Lewis Silkin LLP v. Firebrand LLC*, 129 USPQ2d 1015, 1020 (TTAB 2018). Whether Petitioner will be able to prove its claims is a matter for trial or summary judgment after the pleadings have closed, and is irrelevant to the assessment of the legal sufficiency of the complaint. *See Guess? IP Holder LP v. Knowluxe LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015).[4]

[4] On that point, the Board notes that, other than a current status and title copy of a pleaded registration, exhibits attached to pleadings are not evidence on behalf of the party to whose pleading the exhibit is attached. Trademark Rule 2.122(c), 37 C.F.R. § 2.122(c). Thus, the Board has not considered any of the exhibits Petitioner submitted with his amended petition.

The Board also finds that Petitioner has pleaded a legally sufficient claim of nonuse of the mark prior to the deadline for filing the statement of use as extended under Trademark Act Section 1(d), 15 U.S.C. § 1051(d). *See Embarcadero Tech., Inc. v. Delphix Corp.*, 117 USPQ2d 1518, 1526 (TTAB 2016).[5]

In view of the foregoing, Respondent's motion to dismiss is **denied** with respect to the grounds of abandonment and nonuse set forth in paragraphs 63 to 78 of the second amended petition for cancellation.

Accordingly, the second amended petition for cancellation is the operative pleading. The cancellation will proceed on Petitioner's nonuse and abandonment claims.

Proceedings are resumed. Respondent's answer to the second amended petition for cancellation is due May 1, 2019. Discovery and trial dates are reset as follows:

Time to Answer	5/1/2019
Deadline for Discovery Conference	5/31/2019
Discovery Opens	5/31/2019
Initial Disclosures Due	6/30/2019
Expert Disclosures Due	10/28/2019
Discovery Closes	11/27/2019
Plaintiff's Pretrial Disclosures Due	1/11/2020
Plaintiff's 30-day Trial Period Ends	2/25/2020
Defendant's Pretrial Disclosures Due	3/11/2020
Defendant's 30-day Trial Period Ends	4/25/2020
Plaintiff's Rebuttal Disclosures Due	5/10/2020
Plaintiff's 15-day Rebuttal Period Ends	6/9/2020
Plaintiff's Opening Brief Due	8/8/2020

[5] Petitioner attempted to plead fraud claims based on nonuse of the mark "before and on the date of the SOU" under its second and third "sets of facts" in the first amended petition for cancellation. 6 TTABVUE 14-15. Thus, Petitioner's allegation of nonuse in the second amended petition does not identify a new ground for cancellation.

Defendant's Brief Due	9/7/2020
Plaintiff's Reply Brief Due	9/22/2020
Request for Oral Hearing (optional) Due	10/2/2020

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).