

ESTTA Tracking number: **ESTTA932119**

Filing date: **10/31/2018**

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

Proceeding	92068803
Party	Defendant HotelsAB, LLC
Correspondence Address	CHRISTOHER M DOLAN BARNES & THORNBURG LLP ONE NORTH WACKER DRIVE, SUITE 4400 CHICAGO, IL 60690-2786 UNITED STATES trademarks-ch@btlaw.com 312-338-5911
Submission	Other Motions/Papers
Filer's Name	Joshua S. Frick
Filer's email	trademarks-ch@btlaw.com, jfrick@btlaw.com, cdolan@btlaw.com, Maggie.Ballesteros@btlaw.com
Signature	/Joshua S. Frick/
Date	10/31/2018
Attachments	2018-10-31- Hotels AB Motion for Judgment on the Pleadings - HOTEL QT.pdf(63557 bytes )

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

<p><b>QT Hotels and Resorts Pty Limited,</b></p> <p style="text-align:center"><b>Petitioner,</b></p> <p style="text-align:center">v.</p> <p><b>HotelsAB, LLC,</b></p> <p style="text-align:center"><b>Registrant.</b></p>	<p><b>Cancellation No.: 92068803</b></p> <p><b>Mark: HOTEL QT</b></p> <p><b>U.S. Reg. No.: 5,459,279</b></p>
---	--

**REGISTRANT’S MOTION FOR JUDGMENT ON THE PLEADINGS**

Pursuant to TBMP § 504 and Federal Rule of Civil Procedure 12(c), Registrant HotelsAB, LLC (“Registrant”) through its counsel hereby moves the Board for judgment on Count 1 asserted in Petitioner QT Hotels and Resorts Pty Limited’s Petition to Cancel Registrant’s United States Trademark Registration No. 5,459,279 for the mark HOTEL QT (Dkt. 1, the “Petition”) because the count fails to state a claim upon which relief may be granted.

**I. FACTUAL BACKGROUND SET FORTH IN PETITION**

The Petition states that Registrant first used the mark HOTEL QT in connection with hotel and related services in 2007. (Petition ¶ 13(b).) On May 19, 2014, Registrant filed application Ser. No. 86/285,442 to register the HOTEL QT mark based on a *bona fide* intent to use the mark in United States commerce (the “HOTEL QT Application”). (Petition ¶ 10.) The USPTO issued a Notice of Allowance for the HOTEL QT Application on May 3, 2015, which at that time identified the following services:

Class 41: Entertainment in the nature of live musical performances, artistic performances, artistic displays, cabaret and nightclub entertainment; entertainment services provided by hotels in the nature of live musical performances, artistic performances, artistic displays, cabaret and nightclub entertainment; entertainment services provided in hotels,

restaurants and night clubs in the nature of live musical performances, artistic performances, artistic displays, cabaret and nightclub entertainment; nightclub services

Class 43: Services for providing food and drink; providing temporary accommodation; restaurant services; bar, café, cocktail lounge services; providing banquet and social function facilities for special occasions; catering services; hotels; the provision of hotel accommodation; hotel reservation services; the provision of information relating to the foregoing services online from a computer database, the internet, telecommunications or via any other media, also known as providing information and advice on hotels and restaurants

Class 44: Personal services, namely, barber shop, beauty care and salon services, and beauty and health spa services, namely, cosmetic body care services

(Petition ¶ 11.)

On March 2, 2018, Registrant timely filed a Statement of Use in connection with the HOTEL QT Application in which it deleted the Class 41 and 44 services from the application as well as certain services listed in Class 43. (Petition ¶ 12.) The final identification of Class 43 services in the HOTEL QT Application read as follows: “hotels; hotel reservation services; the provision of information relating to the foregoing services online from a computer database, the internet, telecommunications or via any other media, also known as providing information and advice on hotels.” (*Id.*) As required, Applicant submitted a specimen showing use of the HOTEL QT mark in connection with the services identified in the HOTEL QT Application consisting of Registrant’s web page prominently displaying the HOTEL QT mark and a specimen depicting use of the HOTEL QT mark in connection with a hotel reservation service. (*Id.*) After reviewing Registrant’s Statement of Use, the USPTO issued a Notice of Acceptance of Statement of Use on March 29, 2018, and subsequently issued registration No. 5,459,279 for the HOTEL QT mark (the “HOTEL QT Registration”) on May 1, 2018. (Petition ¶¶ 15 and 16.)

Petitioner QT Hotels and Resorts Pty Limited (“Petitioner”) filed the Petition seeking cancellation of the HOTEL QT Registration on June 22, 2018, on the grounds that Registrant

committed fraud in obtaining the Registration (Count 1), the registration is void *ab initio* for non-use (Count 2), and that the continued registration of Registrant’s HOTEL QT mark is likely to cause confusion (Count 3).<sup>1</sup> (Dkt. 1.)

## II. ARGUMENT

### a. Legal Standard for Judgment on the Pleadings

Any party to a Board proceeding may file a motion for judgment on the pleadings “[a]fter the pleadings are closed—but early enough not to delay trial.” Fed. R. Civ. P. 12(6); TBMP §504.01. A motion for judgment on the pleadings is intended to be a “test solely of the undisputed facts appearing in all the pleadings, supplemented by any facts of which the Board may take judicial notice.” *Media Online Inc. v. El Clasificado, Inc.*, 88 USPQ2d 1285, 1288 (TTAB 2008). When the basis for a motion for judgement on the pleadings is that the petition to cancel fails to state a claim upon which relief can be granted, the motion shall be decided under the same standard used to decide a motion to dismiss under Rule 12(b)(6) for failure to state a claim upon which relief can be granted. *See Western Worldwide Enters. Group Inc. v. Qinqdao Brewery*, 17 USPQ2d 1137, 1139 (TTAB 1990). Thus, in order to survive a motion for judgment on the pleadings, a petition to cancel “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, 678 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)).

Although a court must generally accept all factual allegations in the complaint as true, “[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements,” are not sufficient to overcome a motion to dismiss for failure to state a claim. *Id.*

---

<sup>1</sup> Although Registrant disputes the legal and factual allegations Petitioner asserts in Counts 2 and 3 of the Petition, the present motion does not address those Counts.

The Board expressly adopted these pleading standards for Board proceedings. *See Caymus Vineyards v. Caymus Medical, Inc.*, 107 USPQ2d 1519, 1522 (TTAB 2013) (*citing Iqbal*, 556 U.S. 662).

**b. Petitioner Failed to Properly Plead its Fraud Claim (Count 1)**

Count 1 of the Petition, which alleges that Registrant committed fraud in the acquisition of the HOTEL QT Registration falls well short of the heightened standard for pleading for a fraud claim. Pursuant to Federal Rule of Procedure 9(b) a petitioner asserting a fraud claim must allege the elements of the claim with particularity. *See also* 37 C.F.R. § 2.116(a) (applying the Federal Rules of Civil Procedure to TTAB proceedings). Specifically, a petitioner must allege with particularity that the registrant obtained its registration fraudulently by knowingly making a false, material representation of fact with the intent to deceive the United States Patent and Trademark Office (the “USPTO”) into issuing or maintaining the registration to which the registrant would not have otherwise been entitled. *See In re Bose Corp.*, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). The party seeking cancellation of a mark for fraud “bears a heavy burden of proof,” which requires that the claim be proven “to the hilt” with clear and convincing evidence, and “there is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.” *Smith Int’l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981)). Accordingly, a petition to cancel a registered mark alleging fraud “must contain explicit rather than implied expression of the circumstances constituting fraud.” *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1479 (TTAB 2009) (quoting *King Automotive, Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 USPQ 801, 803 (CCPA 1981)). Further, the petition must also include an allegation of intent containing “sufficient underlying

facts from which a court may reasonably infer that a party acted with the requisite state of mind.”  
*Id.*

Notably, “[p]leadings of fraud made ‘on information and belief,’ when there is no allegation of ‘specific facts upon which the belief is reasonably based’ are insufficient.” *Asian and Western Classics*, 92 USPQ2d at 1479 (citing *Exergen Corp. v. Wal-Mart Stores Inc.*, 91 USPQ2d 1656, 1670 (Fed. Cir. 2009)). Such allegations “raise only the mere possibility that such evidence may be uncovered and do not constitute pleading of fraud with particularity.” *Id.* Instead, the party alleging a fact based “on information and belief” must show that it knows facts supporting the claim or that “evidence showing the factual basis is ‘likely’ to be obtained after a reasonable opportunity for discovery or investigation.” *Id.*

Here, Petitioner’s allegations of fraud in Count 1 of the Petition falls far short of the Rule 9(b) pleading requirements because Petitioner failed to provide the necessary factual information on which Petitioner could rely to support its allegations. Petitioner’s fraud claim rests on the allegations that the HOTEL QT mark was not in use at the time Registrant filed the Statement of Use in connection with the HOTEL QT Application, and that Registrant knowingly represented in the Statement of Use that the mark was in use in United States commerce, and did so with an intent to deceive the USPTO. (Petition ¶¶ 25-29.) Petitioner, however, failed to provide adequate statements of fact upon which these allegations could be founded.

First, several of Petitioner’s factual allegations are based merely on its “information and belief.” (*See e.g.* Petition ¶¶ 8, 21, 26, 27, and 29.) These allegations do not meet the heightened pleading standard of Rule 9(b) because they are not accompanied by “specific facts upon which the belief is founded.” *Asian and Western Classics*, 92 USPQ2d at 1479. Petitioner seemingly attempts to gloss over this shortcoming in a few of its allegations based on “information and

belief” by claiming that these allegations are also based upon “Petitioner’s investigation.” (See e.g. ¶¶ 18, 20, and 25.) Petitioner, however, does not provide any details about its purported investigation and does not indicate what purported salient facts, if any, Petitioner learned as a result of the investigation. Consequently, Petitioner’s use of the word “investigation” does no more to identify the specific facts on which Petitioner’s allegations are based than the phrase “upon information and belief.” Indeed, like Petitioner’s allegations based merely on its “information and belief,” Petitioner’s allegations based upon “investigation” also fail to meet the heightened pleading standard under Rule 9(b). Accordingly, each allegations that is founded only on “information and belief” and/or “Petitioner’s investigation” is insufficient under the pleading standard of Rule 9(b), and Count 1 should, therefore, be dismissed for failure to state a claim upon which relief may be granted.

Petitioner alleged that the HOTEL QT mark was not in use when Registrant filed the Statement of Use in connection with the HOTEL QT Application. Rather than provide explicit facts to support its allegations, however, Petitioner impermissibly relies upon innuendo and implications regarding the circumstances, and thus failed to adequately plead the matter. *Asian and Western*, 92 USPQ2d at 1479 (an allegation of fraud “must contain explicit rather than implied expression of the circumstances constituting fraud.”)

In fact, the file history of the HOTEL QT Application, which Petitioner detailed at length in the Petition, demonstrates that the HOTEL QT mark was in use prior to Registrant’s filing of the Statement of Use. The factual allegations in the Petition, demonstrate that (1) Registrant timely filed a Statement of Use within the period permitted by statute; (2) the Statement of Use included the required specimen of use consisting of a screen capture from Registrant’s [www.hotelqt.com](http://www.hotelqt.com) website that prominently displayed the HOTEL QT mark and referenced the

property address at 10 Old Route 9, in Staatsburg, New York and a specimen depicting use of the HOTEL QT mark in connection with a hotel reservation service (Petition ¶ 12); (3) in the Statement of Use, Registrant narrowed the scope of the identification of services in the HOTEL QT Application, excluding an extensive list of applied-for services from the Statement of Use (*Id.*); and (4) the USPTO reviewed and accepted the Statement of Use (*Id.* ¶ 15). Moreover, Petitioner admits in its pleading that Registrant had prior use of the HOTEL QT mark for the recited services, and additional services, in connection with Registrant's property in New York City. (Petition ¶¶ 8 and 10.) Accordingly, the Petition is internally inconsistent because Petitioner admits in the Petition that Registrant, prior to filing the Statement of Use, used the HOTEL QT mark in commerce for the services recited in the HOTEL QT Application.

In a weak attempt to support its allegation that the HOTEL QT mark was not in use at the time Registrant filed the Statement of Use, Petitioner goes on to allege, without any specific factual support, that the specimens Registrant submitted with the Statement of Use was "fake." (Petition ¶¶ 20 and 24.) Petitioner offers no explicit facts to support the allegation that either specimen is "fake" or fraudulent but rather Petitioner seems to imply that the circumstances support an inference that the specimens are "fake." Yet, in this regard, Petitioner only alleges the following:

Registrant's website at the time Registrant filed the Statement of Use stated on March 2, 2018 included the statement "Hotel, pool, restaurant opening Spring 2018." (Petition ¶ 21.)

After Registrant filed the Statement of Use, Registrant's website was "modified to indicate that a hotel, pool and restaurant will open at an unidentified time in 'Summer-ish' 2018." (Petition ¶ 22.)

These alleged facts do not meet the heightened pleading standard under Rule 9(b) for a proper allegation that the specimens were fraudulent or "fake." (*See* Petition ¶¶ 21, 22 and 23.) Thus,



these allegations are insufficient, and Count 1 should be dismissed for failure to state a claim upon which relief may be granted.

Importantly, Petitioner provides no factual basis whatsoever to support its allegation that Registrant *knowingly* made false representations regarding use of the HOTEL QT mark, nor that Registrant did so with any intent to deceive the USPTO. Rather, Petitioner only sets forth the following rote boilerplate with regard to these two essential elements of a fraud claim:

“Upon information and belief, Registrant knew at the time of filing its Statement of Use that it had not used the Registered Mark in U.S. commerce on or in connection with any of Registrant’s Services and that a portion of the submitted Specimen was fake.” (Petition ¶ 26.)

“Upon information and belief, Registrant intended the USPTO to rely on the statements made in its Statement of Use regarding use of the Registered Mark in U.S. commerce on or in connection with Registrant’s Services and regarding the bona fides of the Specimen, and for the USPTO to approve the Registered Mark for registration in the United States in reliance on these statements.” (*Id.* ¶ 27.)

“Therefore, upon information and belief, and upon the results of Petitioner’s investigation, Registrant knowingly, willfully, in bad faith and with an intent to obtain a registration to which Registrant would not otherwise have been entitled made false, material misrepresentations of fact in connection with Registrant’s Application with the intent to defraud the USPTO.” (*Id.* ¶ 29.)

These allegations fail to meet the Rule 9(b) pleading requirements because they merely recite the bare elements of a fraud claim. The Petition fails to provide facts to support the bare allegations that Registrant acted with the requisite state of mind, by knowingly making false representations regarding use of the HOTEL QT mark and that Registrant intended to deceive the USPTO when it filed its Statement of Use. Accordingly, these allegations are insufficient. Petitioner’s fraud claim fails to meet the pleading standard of Rule 9(b), and Count 1 should be dismissed for failure to state a claim upon which relief may be granted. *Asian and Western Classics*, 92 USPQ2d at 1479 (pleadings must allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind”).

### **III. CONCLUSION**

For the foregoing reasons, Registrant respectfully requests that the Board enter an order granting Registrant's Motion for Judgment on the Pleadings, dismissing the Petition with respect to Count 1 (Fraud) of the Petition.

Respectfully submitted,

**HOTELSAB, LLC**

Date: October 31, 2018

By: /Joshua S. Frick/  
Christopher M. Dolan  
Joshua S. Frick  
BARNES & THORNBURG LLP  
One North Wacker Drive  
Suite 4400  
Chicago, Illinois 60606-2833  
Attorneys for Registrant

**CERTIFICATE OF SERVICE**

I hereby certify that on October 31, 2018, I served a true and correct copy of the foregoing REGISTRANT'S MOTION FOR JUDGMENT ON THE PLEADINGS on counsel for Petitioner via email addressed as follows:

Leo Kittay  
FROSS ZELNICK LEHRMAN & ZISSU PC  
[lkittay@fzlz.com](mailto:lkittay@fzlz.com)  
[lpopp-rosenberg@fzlz.com](mailto:lpopp-rosenberg@fzlz.com)  
[ttabfiling@fzlz.com](mailto:ttabfiling@fzlz.com)  
[mortiz@fzlz.com](mailto:mortiz@fzlz.com)

*/Joshua S. Frick/*  
One of the Attorneys for Registrant  
HotelsAB, LLC