

UNITED STATES PATENT AND TRADEMARK OFFICE  
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March 31, 2020

Cancellation No. 92070823

*ICware Systems, Inc. dba BatchTest  
Corporation*

*v.*

*Ikonix USA LLC*

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

This case now comes before the Board for consideration of Respondent's renewed motion, filed November 21, 2019, pursuant to Fed. R. Civ. P. 12(b)(6) to dismiss Petitioner's<sup>1</sup> first amended petition to cancel for failure to state a claim upon which relief may be granted. In response to the motion, Petitioner filed a second amended petition to cancel together with its response brief, and Respondent filed a reply brief.

**A. Background**

Respondent owns a registration, issued March 18, 2014, for the mark BATCHTEST in standard character form for, "software for use in testing electrical safety products to ensure compliance with regulations, and to set up electrical safety products for their intended use, and to analyze the results of the tests of electrical safety products; computer software for recording test data, archiving test data,

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<sup>1</sup> Petitioner's change of correspondence address, filed December 11, 2019 is made of record.

importing test data into a spreadsheet or database, logging test data, statistically analyzing test data, and reviewing test data” in International Class 9.<sup>2</sup>

Petitioner filed its petition to cancel on March 12, 2019 and Respondent filed its answer on April 22, 2019. The Board held a discovery conference on October 3, 2019 in which it struck Petitioner’s claims that Respondent is not the rightful owner, false suggestion of a connection, misrepresentation of source, and fraud. Petitioner was allowed time within which to replead its claims, which it did on October 22, 2019. In lieu of an answer to the amended pleading Respondent filed a motion to dismiss, and Petitioner filed its response and second amended petition to cancel on December 11, 2019. The Board construes Respondent’s reply brief of December 31, 2019 as a renewal of the motion to dismiss as to the second amended petition to cancel.<sup>3</sup>

By its second amended petition to cancel, Petitioner claims common law rights in the mark BATCHTEST for “a software product” and “goods and services in Classes 9

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<sup>2</sup> Registration No. 4499170 filed November 21, 2012, based on Trademark Act § 1(b). A statement of use was filed October 24, 2013 claiming dates of first use anywhere and in commerce of July 8, 2013. A Section 8 affidavit of continuing use was filed July 26, 2019 and accepted August 22, 2019.

<sup>3</sup> Respondent’s argument that Petitioner was not granted leave to file the second amended petition to cancel and thus it is “not the operative pleading and not germane to the motion,” is mistaken. 19 TTABVUE 2. Plaintiffs to proceedings before the Board can, and ordinarily do, respond to a motion to dismiss by filing an amended complaint and may do so even in response to a renewed motion to dismiss. *Dragon Bleu (SARL) v. VENM, LLC*, 112 USPQ2d 1925, 1926 (TTAB 2014) (finding first motion to dismiss moot in view of filing of amended pleading; considering amended pleading filed in response to second motion to dismiss).

and 42.”<sup>4</sup> Petitioner also alleges it has filed a trademark application for the mark<sup>5</sup> and alleges the following grounds:

1. Two counts of Fraud:
  - a. Fraudulent procurement and maintenance of a mark that does not constitute trademark use;
  - b. Fraudulent allegation of use and Section 8 filing;
2. Registrant is not the rightful owner;
3. Likelihood of confusion; and
4. False suggestion of a connection.

#### **B. Motion to Dismiss**

A motion to dismiss for failure to state a claim under Fed. R. Civ. P. 12(b)(6) is a test of the legal sufficiency of the pleaded claims. *See Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998) (noting defendant’s arguments confuse sufficient pleading of claim with obligation to prove that claim). In order to withstand a motion to dismiss, 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 registration. *Doyle v. Al Johnson’s Swed. Rest. & Butik Inc.*, 101 USPQ2d 1780, 1782 (TTAB 2012) (*citing Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998)); *see also* TBMP § 503.02 (2019). Specifically, a complaint “must

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<sup>4</sup> 16 TTABVUE 3.

<sup>5</sup> *Id.* Petitioner appears to have filed at least two other applications, Serial Nos. 88723304 and 88750323. Only Serial No. 88723304 is referred to by number in the second amended petition to cancel. Proof of Petitioner’s ownership is left to final decision.

contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Doyle*, 101 USPQ2d at 1782 (*quoting Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)). 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.” *Iqbal*, 556 U.S. at 678 (*citing Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007)). This standard requires no more than a sufficient pleading of the claim. *See Lewis Silkin LLP v. Firebrand LLC*, 129 USPQ2d 1015, 1020 (TTAB 2018) (Board specifically rejected argument that abandonment claim must include detailed allegations of how plaintiff will prove nonuse plus intent).

When the sufficiency of any complaint has been challenged, the Board examines the complaint in its entirety, construing the allegations therein so as to do justice, as required by Fed. R. Civ. P. 8(e), to determine whether it contains any allegations, which, if proved, would entitle the plaintiff to the relief sought. *IdeasOne Inc. v. Nationwide Better Health*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1539 (TTAB 2007). *See also*, TBMP § 503.02 (2019).

Respondent’s motion to dismiss is timely. Fed. R. Civ. P. 12(b)(6); TBMP § 503.01.

### **1) Standing and Likelihood of Confusion**

To plead a “real interest,” plaintiff must allege a “direct and personal stake” in the outcome of the proceeding. The allegations in support of plaintiff’s belief of damage must have a reasonable basis “in fact.” *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1027 (Fed. Cir. 1999). There is no requirement that actual damage be pleaded

or proved, or that plaintiff show a personal interest in the proceeding different from or “beyond that of the general public.” *Id. See also*, TBMP §§ 303.06 and 309.03(b).

The Board, after reviewing Petitioner’s pleading, finds that Petitioner has sufficiently alleged a “real interest” and a “direct and personal stake” in the outcome of this proceeding. Specifically, Petitioner has pleaded common-law trademark rights in the identical mark for similar goods and services prior to Respondent’s filing date and registration issue date and a likelihood of confusion between the marks. Petitioner therefore has sufficiently alleged its standing and the ground of priority and likelihood of confusion.<sup>6</sup> *See Giersch v. Scripps Networks, Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009). Proof of Petitioner’s standing and ground are left to final decision. *See Boswell v. Mavety Media Group Ltd.*, 52 USPQ2d 1600, 1605 (TTAB 1999) (at final decision, inquiry is not whether pleading of standing is sufficient, but whether allegations have been proven).

Where a plaintiff has alleged standing as to at least one properly pleaded ground, its allegation of standing satisfies the standing requirement for any other legally sufficient ground. *See, e.g., Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1377, 101 USPQ2d 1713, 1727-28 (Fed. Cir. 2012) (“[O]nce an opposer meets the requirements for standing, it can rely on any of the statutory grounds for opposition set forth in 15 U.S.C. § 1052.”); *Petróleos Mexicanos v. Intermix S.A.*, 97 USPQ2d 1403, 1405 (TTAB 2010).

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<sup>6</sup> Respondent does not contest the pleading of the likelihood of confusion ground.

## 2.) Fraud

Fraud in procuring a trademark registration occurs when an applicant or registrant knowingly makes false, material representations of fact in connection with its application, statement of use, or renewal. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009) (*Bose*). The Board has applied *Bose* to require specific allegations of the necessary intent to deceive the USPTO to sufficiently plead a claim of fraud. *See Dragon Bleu (SARL) v. VENM, LLC*, 112 USPQ2d 1925, 1928 (TTAB 2014) (finding amended counterclaim neither generally alleged intent to deceive USPTO, nor did it plead supporting facts from which an intent to deceive USPTO may reasonably be inferred). Pleadings of fraud made without allegations of specific facts are insufficient. *See NSM Res. Corp. v. Microsoft Corp.*, 113 USPQ2d 1029, 1034 (TTAB 2014) and *Asian and W. Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1479 (TTAB 2009).

The two fraud claims appear to be contentions that the mark describes a feature or function of the goods and/or services rather than serving as a mark. Functionality is not a material fact per se which can be withheld from the USPTO absent a material misrepresentation as to a design mark. *Specialized Seating, Inc. v. Greenwich Indus., L.P.*, 472 F. Supp. 2d 999, 1017–1018 (N.D. Ill. 2007), *aff'd on other grounds*, 616 F.3d 722, 727, 96 U.S.P.Q.2d 1580 (7th Cir. 2010) (finding fraud where applicant for design of folding chair misled examiner by not disclosing three expired utility patents in response to specific request). *See also* 6 J. Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 31:60 (5th ed. Westlaw 2020). Likewise

fraud cannot be found merely from the fact that a term is found after trial to be descriptive without secondary meaning.<sup>7</sup> See *Five Platters, Inc. v. Purdie*, 419 F.Supp 372, 384 (D.Md. 1976)(“Statements of honest, but perhaps incorrect, belief or innocently inaccurate statements of fact are insufficient as are knowing misstatements which would have a de minimis effect on the validity of the service mark.”). Petitioner’s claims do not meet the heightened pleading standards of Fed. R. Civ. P. 9(b). *Bose*, 91 USPQ2d at 1941 (finding heightened pleading standard for pleading of intent to deceive). As such, Petitioner’s fraud claims are legally insufficient and Petitioner has failed for the third time to allege that Respondent knowingly made a false statement of material fact with the intent to deceive in the underlying application, registration or statement of use and Section 8 affidavit.

Accordingly, Respondent’s motion to dismiss the fraud claim with prejudice is **granted**. See, e.g., *Bayer Consumer Care AG v. Belmora LLC*, 90 USPQ2d 1587, 1592-93 (TTAB 2009) (dismissing with prejudice second amended petition with respect to untenable fraud claim without leave to replead).

### **3.) Registrant is not the rightful owner**

At Count II Petitioner alleges that Respondent was not the rightful owner of the mark at the time of filing the underlying application.<sup>8</sup> Since the time the Board issued

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<sup>7</sup> It may constitute fraud for an applicant to seek to register a mark for a term which it knows to be in widespread descriptive or generic use in the industry. See *G. Levor & Co. v. Nash, Inc.*, 123 USPQ 234 (TTAB 1959). Petitioner has not alleged widespread use of the mark in the industry.

<sup>8</sup> 16 TTABVUE 10.

its discovery conference order striking this ground,<sup>9</sup> the Board has clarified that a claim that an applicant was not the rightful owner of the applied-for-mark at the time the application was filed is not available when the underlying application was filed based on intent-to-use the mark in commerce under Trademark Act § 1(b). The Board has noted there is not a statutory requirement for the filer of an intent-to-use application be the owner of the mark at the time it files the application. *Norris v. PAVE*, 2019 USPQ2d 370880 at \*4 (TTAB 2019).

Respondent's underlying application was filed based on Trademark Act §1(b) and thus there is no statutory basis for Petitioner's claim that Respondent is not the owner of the mark.

Accordingly, Respondent's motion to dismiss the nonownership claim with prejudice is **granted**. As the claim is futile, it may not be repleaded. *Dragon Bleu*, 112 USPQ2d at 1929 n.10.

#### **4.) False suggestion of a connection**

To properly assert a ground of false suggestion of a connection under Trademark Act Section 2(a), 15 U.S.C. § 1052(a), a petitioner must plead that (1) respondent's mark is the same or a close approximation of petitioner's previously used name or identity; (2) the mark would be recognized as such, in that it points uniquely and unmistakably to petitioner; (3) petitioner is not connected with the goods sold by respondent under the mark; and (4) petitioner's name or identity is of sufficient fame or reputation that when respondent's mark is used on its goods, a connection with the

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<sup>9</sup> 12 TTABVUE 7.



petitioner would be presumed. *Nike, Inc. v. Palm Beach Crossfit, Inc.*, 116 USPQ2d 1025, 1031-32 (TTAB 2015); *Petróleos Mexicanos v. Intermix SA*, 97 USPQ2d 1403, 1405 (TTAB 2010); *Boston Red Sox Baseball Club LP v. Sherman*, 88 USPQ2d 1581, 1593 (TTAB 2008).

Petitioner's second amended petition for cancellation fails to allege a legally sufficient claim of false suggestion of a connection because Petitioner does not allege prior use of a "name or identity" that is the same or similar to Respondent's mark, or that Respondent's mark points uniquely and unmistakably to Petitioner's identity, as opposed to its mark. Petitioner's allegations relate to its use of its trademark and trade name,<sup>10</sup> "as such its business identity,"<sup>11</sup> and "only [Petitioner] uses the Mark as its identity, as trade name and trademark."<sup>12</sup> Petitioner does not allege that it used "BATCHEST" or a similar term other than as a trademark or trade name. Section 2(a) of the Trademark Act is intended to protect the unauthorized use of the persona of a person or institution which is not a trademark or trade name upon which a Section 2(d) claim can be made. *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imps. Co.*, 703 F.2d 1372, 217 USPQ 505, 508-09 (Fed. Cir. 1983), *aff'g* 213 USPQ 594 (TTAB 1982). Section 2(a) "is not about likelihood of confusion with trademarks." *In re Wielinski*, 49 USPQ2d 1754, 1757 (TTAB 1998).

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<sup>10</sup> 16 TTABVUE at 3 and 12.

<sup>11</sup> *Id.* at 12.

<sup>12</sup> *Id.* at 13.

Accordingly, Respondent's motion to dismiss the false suggestion of a connection claim with prejudice is **granted**. *See, e.g., Bayer Consumer Care*, 90 USPQ2d at 1590-91.

### **C. Proceedings are Resumed**

Respondent's motion to dismiss is **granted with prejudice** as to the claims of fraud, that Respondent is not the rightful owner of the mark and false suggestion of a connection. This proceeding will go forward on the claim of likelihood of confusion.

Proceedings are resumed. Respondent's motion to enlarge its time to file its answer is granted to the extent that Respondent is allowed until **May 5, 2020** to file and serve its answer to the second amended petition to cancel as construed herein.

### **D. Schedule**

Dates are reset as set out below.

Time to Answer	5/5/2020
Deadline for Discovery Conference	6/4/2020
Discovery Opens	6/4/2020
Initial Disclosures Due	7/4/2020
Expert Disclosures Due	11/1/2020
Discovery Closes	12/1/2020
Plaintiff's Pretrial Disclosures Due	1/15/2021
Plaintiff's 30-day Trial Period Ends	3/1/2021
Defendant's Pretrial Disclosures Due	3/16/2021
Defendant's 30-day Trial Period Ends	4/30/2021
Plaintiff's Rebuttal Disclosures Due	5/15/2021
Plaintiff's 15-day Rebuttal Period Ends	6/14/2021
Plaintiff's Opening Brief Due	8/13/2021
Defendant's Brief Due	9/12/2021
Plaintiff's Reply Brief Due	9/27/2021
Request for Oral Hearing (optional) Due	10/7/2021

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).

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