

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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AL/JLE

October 27, 2020

Cancellation No. 92073912

Alfwear Inc. DBA KUHL

v.

Kulkote, LLC

By the Trademark Trial and Appeal Board:

On April 6, 2020, Petitioner filed a petition to cancel the registration for the mark KULKOTE in standard characters.¹ Petitioner identified the following grounds for cancellation on the ESTTA cover sheet: (1) No use of mark in commerce before application, amendment to allege use, or statement of use was filed; (2) Drawings [sic] is not an exact representation of the mark; and (3) Mutilation of mark because registration is for less than the totality of the trademark. 1 TTABVUE 1.²

¹ Registration No. 5180058, issued on April 11, 2017 for “Chemicals used in the manufacture of goods, namely, phase change materials” in International Class 1, based on use under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), claiming first use and first use in commerce of August 3, 2016.

² Record citations are to TTABVUE, the Board’s publicly available docket history system. See *Turidin v. Trilobite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014).

In lieu of an answer, Respondent filed the present motion to dismiss the petition to cancel for failure to state a claim upon which relief may be granted. Fed. R. Civ. P. 12(b)(6). *See* 7 TTABVUE. The motion is fully briefed.³

To withstand a motion to dismiss, a plaintiff need only allege sufficient factual content that, if proved, would allow the Board to conclude or draw a reasonable inference that (1) the plaintiff is entitled to a statutory cause of action and (2) a valid ground exists for opposing or cancelling the registration. *Doyle v. Al Johnson's Swedish 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)); *Order of Sons of Italy in Am. v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1222 (TTAB 1995). *See also* TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 503.02 (June 2020).

Specifically, a complaint must allege sufficient facts, accepted as true, which “state a claim to relief that is plausible on its face.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). A plaintiff need only allege enough factual matter to “raise a right to relief above the speculative level.” *Totes-Isotoner Corp. v. United States*, 594 F.3d 1346, 1354 (Fed. Cir. 2010) (quoting *Bell Atl. Corp.*, 550 U.S. at 555-56)).

³ The Board has considered the parties' submissions and presumes the parties' familiarity with the arguments made therein. The parties' arguments are not summarized herein except as necessary to explain the Board's decision. *Guess? IP Holder LP v. Knowlux LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015).

Federal Rule of Civil Procedure 8(a)(2) requires that a pleading contain a “short and plain statement of the claim showing that the pleader is entitled to relief.” Rule 8(a)(2) does not require detailed factual allegations, but requires more than labels, conclusions, formulaic recitations of the elements of a cause of action, and naked assertions, i.e., “more than an unadorned, the-defendant-unlawfully-harmed-me accusation.” *Ashcroft*, 556 U.S. at 555. Indeed, “a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Id.* (quoting *Bell Atl. Corp.*, 550 U.S. at 570).

Whether a plaintiff will be able to prove its well-pleaded trademark claims is a matter for trial or summary judgment and is not relevant to the Board’s assessment of the legal sufficiency of a petition for cancellation. *Guess? IP Holder*, 116 USPQ2d at 2019.

A. Entitlement to a Statutory Cause of Action⁴

Although Respondent has not challenged the sufficiency of Petitioner’s allegations of its entitlement to a statutory cause of action, this is a threshold issue that must be pleaded and proved. *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270,

⁴ The Board’s decisions previously have analyzed the requirements of Sections 13 and 14 of the Trademark Act, 15 U.S.C. §§ 1063-64, under the rubric of “standing.” Mindful of the Supreme Court’s direction in *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 125-26 (2014), the Board now refers to this inquiry as entitlement to a statutory cause of action. Despite the change in nomenclature, the Board’s prior decisions and those of the Federal Circuit interpreting Sections 13 and 14 remain equally applicable.

111 USPQ2d 1058, 1062 (Fed. Cir. 2014); *John W. Carson Found. v. Toilets.com Inc.*, 94 USPQ2d 1942, 1945 (TTAB 2010).⁵

To establish its entitlement to a statutory cause of action under Section 13 or 14 of the Trademark Act, a plaintiff must demonstrate a real interest in the proceeding and a reasonable belief of damage. *Australian Therapeutic Supplies PTY. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 2020 USPQ2d 10837 at *3 (Fed. Cir. 2020); *see also Empresa Cubana Del Tabaco.*, 111 USPQ2d at 1062; *Coach Servs. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1727 (Fed. Cir. 2012); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999).

Although the petition to cancel has been considered in its entirety, Petitioner alleges the following relevant allegations in support of its entitlement to bring this proceeding:

6. On January 11, 2019, Petitioner filed a complaint for trademark infringement and dilution with the United States District Court for the District of Utah Central Division (2:19-cv-00027-EJF), alleging that Respondent's use of the alleged mark KULKOTE infringes multiple registered trademarks owned by Petitioner.

7. Respondent has asserted the registration for KULKOTE against Petitioner's application to register the mark KÜL. See Opposition No. 91254768.

1 TTABVUE 6-7, ¶¶ 6, 7. These allegations sufficiently allege that Petitioner has a real interest in the proceeding and a reasonable belief of damage. *See Domino's Pizza Inc. v. Little Caesar Enterps. Inc.*, 7 USPQ2d 1359, 1363-64 (TTAB 1988) (holding

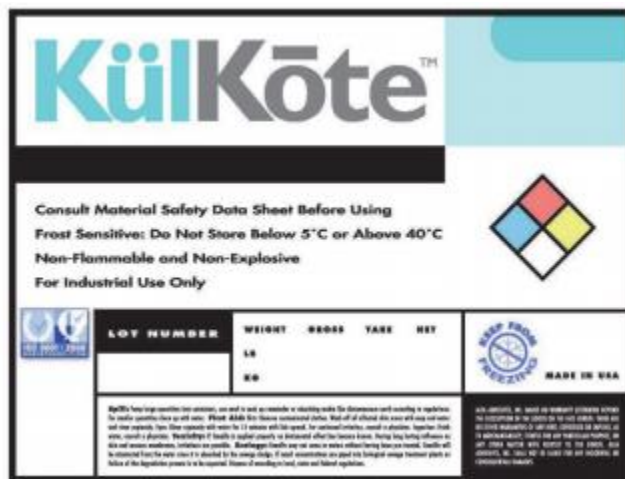
⁵ Petitioner is reminded that entitlement to a statutory cause of action is an element of its case, and must be maintained throughout the proceeding and affirmatively proved at trial. *See Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982).

standing to bring proceeding established by the opposer's position as a defendant in a civil action brought by the applicant alleging infringement); *Tonka Corp. v. Tonka Tools, Inc.*, 229 USPQ 857, 859 (TTAB 1986) (holding petitioner has standing to cancel registration that has been asserted, even defensively, in a civil action).

B. Grounds for Cancellation

The allegations supporting the three purported grounds for cancellation are not separated by claim. They are:

2. Respondent's application to register its alleged KULKOTE mark was filed under section 1(a) claiming existing use in commerce for "Chemicals used in the manufacture of goods, namely, phase change materials" in class 001, at least as early as 08/03/2016 providing the specimen below.



3. Upon information and belief, Respondent did not use the KULKOTE mark in commerce before filing the application on August 4, 2016.

4. Respondent submitted a drawing showing "KULKOTE." Upon information and belief, Respondent submitted a drawing that is NOT a substantially exact representation of the mark Respondent has used on or in connection with the goods identified in the application.

5. Upon information and belief, Respondent impermissibly sought to register less than the totality of the mark used in commerce.

1 TTABVUE 6.

Respondent argues the complaint does not allege any details to support Petitioner's claims. 7 TTABVUE 4. In response, Petitioner expands on its allegations and attempts to explain the basis for each putative claim. 12 TTABVUE 6-11. None of these allegations of fact, however, are contained in Petitioner's complaint. The naked pleading consisting only of legal conclusions, therefore, fails to meet the standard of Rule 8(a).

Based on the foregoing, the Board finds that Petitioner has failed to state a claim upon which relief can be granted. In view thereof, Respondent's motion to dismiss is **granted**.

C. Leave to Replead

It is the Board's policy to allow amendment of defective pleadings, particularly where the offending pleading is the initial pleading, if leave to replead is not futile. *Dragon Bleu (SARL) v. VENM, LLC*, 112 USPQ2d 1925, 1929 n.10 (TTAB 2014). Accordingly, the Board examines Petitioner's response to determine if repleading is appropriate.

Petitioner argues Respondent registered the mark KULKOTE in standard characters but – pointing to Respondent's specimen – uses its mark with diacritical marks – in particular, an “umlaut” over the “u” and a “macron” above the “o”, i.e. KÜLKÖTE.⁶ 12 TTABVUE 7-8. According to Petitioner, Respondent did not use the

⁶ As explained in Merriam-Webster dictionary, “Diacritics are marks placed above or below (or sometimes next to) a letter in a word to indicate a particular pronunciation — in regard to accent, tone, or stress — as well as meaning, especially when a homograph exists without

registered mark in commerce prior to filing its use-based application. *Id.* Based on the omission of the diacritical marks, as well as the difference in color (blue and grey) and capitalization, Petitioner also argues the mark shown in the drawing is less than a “substantially exact representation” of Respondent’s mark as used on the specimen of use, *id.* at 7-11, and a mutilation (that is, less than the totality) of the mark. *Id.* at 11.

In response, Respondent argues it elected to register its mark in standard characters which “make no claim to any particular font style, color, or size of display and, thus, are not limited to any particular presentation.” *Citigroup Inc. v. Capital City Bank Grp., Inc.*, 637 F.3d 1344, 1349 (Fed. Cir. 2011). 13 TTABVUE 5-6. Respondent contends the manner in which its mark is used, including color, capitalization and diacritical marks, is considered “stylization” of the mark, and Respondent is not required to include them in the standard character drawing. *Id.* at 5-9. Respondent further argues the examiner accepted its standard character drawing and specimen of use, and thus Respondent complied with all examination requirements to obtain its registration. *Id.* at 9.

The Board’s primary reviewing court has determined that alleged examining attorney error is not a proper ground for cancellation; a “valid ground” for opposition or cancellation must be a “statutory ground which negates the appellant’s right to the

the marked letter or letters.” Merriam-Webster Dictionary Online, www.merriam-webster.com/words-at-play/how-to-use-and-understand-diacritics-diacritical-marks (accessed Oct. 13, 2020). The word café, for example, includes a diacritical mark that tells the speaker to pronounce that last “e” as “ay”.

subject registration.” *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998).

It is well settled the determination of the adequacy of specimens and drawings are ex parte examination issues addressed during prosecution of an application. As the Board stated in *Flash & Partners S.p.A. v. I.E. Mfg. LLC*, 95 USPQ2d 1813, 1816 (TTAB 2010):

We recognize that prosecution of a trademark application involves numerous regulatory requirements, and that whether an applicant has satisfied them often entails some degree of subjective judgment on the part of the examining attorney. Considerations of due process, as well as fairness to parties against whom allegations of examination error are asserted, dictate that such matters be solely a matter for ex parte determination, and not grounds for opposition or cancellation.

See, e.g., Marshall Field & Co. v. Mrs. Fields Cookies, 11 USPQ2d 1355, 1358 (TTAB 1989) (insufficiency of the specimens, per se, does not constitute grounds for cancellation); *Century 21 Real Estate Corp. v. Century Life of Am.*, 10 USPQ2d 2034, 2035 (TTAB 1989) (adequacy of specimens is solely a matter of ex parte examination); *AS Holdings, Inc. v. H & C Milcor, Inc.*, 107 USPQ2d 1829 (TTAB 2013) (examining attorney’s alleged improper acceptance of drawing not a basis for an inter partes challenge to registrability of a mark).⁷ To the extent Petitioner bases its claims on a

⁷ Diacritical marks are included in the USPTO’s standard character set. *See* www.uspto.gov/trademark/standard-character-set. Had the examiner refused the offered specimens, Respondent would have had the opportunity to offer replacement specimens or request amendment of its drawing page to include the diacritical marks. *See* 13 TTABVUE 9 (citing *Saint-Gobain Abrasives, Inc. v. Unova Indus. Automation Sys., Inc.*, 66 USPQ2d 1355 (TTAB 2003) (“It would be manifestly unfair to penalize defendant for noncompliance with a requirement that was never made by the Examining Attorney.”)). Further, had the examining attorney refused the proposed amendment as a material alteration of the mark under 37 C.F.R. § 2.72, Petitioner would have been entitled either to maintain its filing date with respect to the original drawing or appeal (or petition for review) the examining

comparison of the drawing and the specimens of use accepted by the examiner is the basis for the putative claims for “mutilation” and less than “substantially exact representation”, therefore, these are not legally sufficient bases for cancellation of Respondent’s mark and may not be pleaded.

Further, use of a mark in color and with capitalization supports a registration of a standard character mark because “the rights associated with a standard character mark reside in the wording per se and not in any particular font style, size, or color.” *In re Aquitaine Wine USA, LLC*, 126 USPQ2d 1181, 1186 (TTAB 2018) (citations omitted); *see also* TRADEMARK MANUAL OF EXAMINING PROCEDURE (TMEP) § 807.03(e) (the mark shown in a standard character drawing does not necessarily have to appear in the same font style, size, or color as the mark shown on the specimen of use so long as the manner of display does not change the meaning or overall commercial impression of the mark). Accordingly, to the extent the color and capitalization of Respondent’s mark as used form the bases for Petitioner’s claims, these also are legally insufficient grounds for cancellation and may not be pleaded.

Petitioner’s nonuse claim, however, is viable if pleaded such that the adequacy of the specimens or the drawing are not the underlying question or basis of the ground for cancellation.

attorney’s refusal to accept the amendment. At this point, cancellation of the resulting registration would, in effect, punish Petitioner for an alleged error on the part of the examining attorney without allowing Petitioner the remedies it would have had if the issue had been raised during examination. *See Flash & Partners*, 95 USPQ2d at 1816 (citing *Century 21 Real Estate*, 10 USPQ2d at 2035).

D. Summary

In summary, Respondent's motion to dismiss is **granted**. Petitioner's claims based on mutilation and "substantially exact representation" are **dismissed with prejudice**. Petitioner is allowed until **November 30, 2020** to file an amended petition to cancel based on its nonuse claim which addresses the deficiencies noted herein, and any other applicable claims to the extent such claims may be properly asserted based on the facts of the case, failing which the petition to cancel will stand dismissed with prejudice.⁸ Respondent is allowed until **December 30, 2020** to file its answer to the amended petition to cancel, if any.

III. Requirement to File Pleadings from Civil Action

Petitioner has identified a pending civil action between the parties in the United States District Court for the District of Utah, Civil Action No. 2:19-CV-00027-EJF (the "Federal Action"). The parties also are engaged in two other proceedings before the Board, Opposition Nos. 91253147 and 91254768.

Because the parties are engaged in a civil action that may be dispositive of one or more of the proceedings currently pending before the Board, the parties are allowed **thirty days** from the date of this order to file with the Board copies of the operative pleadings in the Federal Action. Failure to respond will be construed as a stipulation

⁸ Fed. R. Civ. P. 11 is applicable to all pleadings filed in *inter partes* proceedings before the Board. *See* Fed. R. Civ. P. 11; Trademark Rule 2.116(a); TBMP § 318. Thus, Petitioner is advised to ensure that it has a sound factual and legal basis to allege its amended claims before filing its amended petition to cancel.

Cancellation No. 92073912

to suspend proceedings in this case pending final disposition of the Federal Action.
See Trademark Rule 2.117(a).

Proceedings herein are **suspended** pending the filing of the amended petition to cancel and Respondent's answer, if any, and the pleadings in the Civil Action. The Board will reset the proceeding schedule as appropriate.

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