

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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JMM

May 3, 2021

Cancellation No. 92075086

Black Rifle Coffee Company LLC

v.

Giancarlo Fantappie

By the Trademark Trial and Appeal Board:

Respondent owns a registration for the standard character mark ORCA for “coffee pods, tea pods, tea based pods containing milk,” in International Class 30.¹ Petitioner seeks cancellation of the registration on the grounds of abandonment and fraud. (6 TTABVUE). In lieu of an answer, Respondent filed a motion to dismiss the amended petition to cancel for failure to state a claim upon which relief can be granted pursuant to Fed. R. Civ. P. 12(b)(6).² (9 TTABVUE). The motion is fully briefed.

¹ Registration No. 5101888 issued December 13, 2016.

² As noted in the Board’s December 21, 2020 suspension order, Respondent included a motion to amend its registration within its motion to dismiss. (9 TTABVUE). Because the motion to amend did not include the required fee and declaration, the Board did not consider the proposed amendment. (10 TTABVUE 1). Respondent may resubmit its proposed amendment, with the required fee and declaration. The parties are reminded, however, that an unconsented motion to amend the involved registration is generally deferred until final decision or until the case is decided upon summary judgment. Moreover, to the extent Respondent argues that, because it seeks to voluntarily amend its registration, Petitioner cannot plead a legally sufficient claim of fraud, Respondent’s argument is unpersuasive. Fraud cannot be “cured” by deleting certain goods and/or services from a registration. See *Hachette Filipacchi Presse v. Elle Belle LLC*, 85 USPQ2d 1090, 1095 (TTAB 2007); *Grand Canyon West Ranch LLC v. Hualapai Tribe*, 78 USPQ2d 1696, 1698 n.5 (TTAB 2006).

The Board has considered all of the parties' arguments, presumes the parties' familiarity with the factual bases for their filings, and does not recount the facts or arguments here, except as necessary to explain this decision. *See Guess? IP Holder LP v. Knowlux LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015).

I. Applicable Legal Principles

A motion to dismiss under Fed. R. Civ. P. 12(b)(6) for failure to state a claim upon which relief can be granted tests only the legal sufficiency of the allegations in a complaint. *Lewis Silkin LLP v. Firebrand LLC*, 129 USPQ2d 1015, 1016 (TTAB 2018). To withstand such a motion, a petitioner need only allege sufficient factual matter which, if proved, would establish that (1) it is entitled to a statutory cause of action under Trademark Act § 14,³ and (2) a valid statutory ground exists for cancelling the registration of the involved mark. *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007).

“[A] complaint 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)). “The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether it contains any allegations which, if proved, would entitle plaintiff to the relief, sought.” *Fair Indigo LLC*, 85 USPQ2d at 1538 (citing *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213

³ We have previously analyzed the requirements of Trademark Act §§ 13 and 14, 15 U.S.C. §§ 1063–64, under the rubric of “standing.” Despite the change in nomenclature, prior Board decisions and those of the Federal Circuit interpreting Sections 13 and 14 remain applicable. *See Spanishtown Enters., Inc. v. Transcend Res., Inc.*, 2020 USPQ2d 11388, *2 (TTAB 2020).

USPQ 185 (CCPA 1982)). The allegations of a complaint should be construed so as to do justice. *Corporacion Habanos SA v. Rodriguez*, 99 USPQ2d 1873, 1874 (TTAB 2011) (citing *Scotch Whisky Ass'n v. U.S. Distilled Prods. Co.*, 952 F.2d 1317, 21 USPQ2d 1145, 1147 (Fed. Cir. 1991)).

II. Scope of Respondent's Motion to Dismiss

In support of its motion to dismiss, Respondent submitted a number of exhibits, including a declaration from Respondent, photographs, and alleged sales records. (9 TTABVUE 14–24). We have not considered those materials to assess the sufficiency of the amended petition to cancel. *See Caymus Vineyards v. Caymus Med., Inc.*, 107 USPQ2d 1519, 1522 n.2 (TTAB 2013) (evidence attached to motion to dismiss counterclaim not considered). Also, to the extent either party argued the merits of the claims, rather than the sufficiency of the claims, such arguments are inappropriate on a motion to dismiss for failure to state a claim under Fed. R. Civ. P. 12(b)(6), and those arguments have been given no consideration. *See Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *see also Compagnie Gervais Danone v. Precision Formulations LLC*, 89 USPQ2d 1251, 1256 (TTAB 2009) (“if a motion to dismiss is filed that references matters outside the pleadings, the Board may exclude from consideration the matters outside the pleadings and may consider the motion for whatever merits it may present as a motion to dismiss.”).⁴

⁴ In its suspension order on Respondent's motion, the Board declined to treat the motion as one for summary judgment. (10 TTABVUE 2–3).

III. Analysis and Decision

A. Entitlement to a Statutory Cause of Action

Entitlement to a statutory cause of action must be pleaded and proved. *See Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 2020 USPQ2d 10837, *3 (Fed. Cir. 2020) (citing *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 109 USPQ2d 2061, 2067 n.4 (2014)); *see also Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014). To establish its entitlement to a statutory cause of action under Section 14 of the Trademark Act, a plaintiff must demonstrate that cancellation of the registration is within the zone of interests protected by the statute and that plaintiff has a reasonable belief of damage proximately caused by continued registration of the mark. *Corcamore, LLC v. SFM, LLC*, 978 F.3d 1298, 2020 USPQ2d 11277, *6–7 (Fed. Cir. 2020); *see also Australian Therapeutic Supplies Pty. Ltd.*, 2020 USPQ2d at *3; *Empresa Cubana Del Tabaco*, 111 USPQ2d at 1058; *Coach Servs., Inc. 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).

Respondent does not challenge Petitioner’s entitlement to a statutory cause of action. Nevertheless, the Board notes that Petitioner pleads, *inter alia*:

4. Petitioner is the owner of U.S. Application Serial No. 88/638,724 for the mark ATOMIC ORCA for use in connection with “drinkware and beverage ware,” in International Class 21, “apparel, namely, shirts, shorts, and hats,” in International Class 25, and “coffee and coffee-based beverages,” in International Class 30. The ATOMIC ORCA application was filed on October 2, 2019 based on Petitioner’s intent to use the applied-for mark in U.S. commerce.

5. On November 19, 2019, and again on June 12, 2020, Petitioner's U.S. Application Serial No. 88/638,724 for the goods in Class 30 was denied registration by the USPTO on the grounds that the applied-for mark may be likely to cause confusion with the Registered Mark.

* * *

13. Petitioner is being damaged by U.S. Registration No. 5,101,888 in that it reasonably believes that the Registration is invalid and may wrongfully prevent the registration of Petitioner's U.S. Application Serial No. 88/638,724.

(6 TTABVUE 3–4). This is sufficient to plead Petitioner's entitlement. *See ShutEmDown Sports Inc. v. Lacy*, 102 USPQ2d 1036, 1042 (TTAB 2012) (“standing” shown by evidence that plaintiff's application was refused registration in view of defendant's registration).

B. Abandonment

To plead a claim of abandonment, a plaintiff must allege at least three consecutive years of non-use, or a period of non-use less than three years with an intent not to resume use. 15 U.S.C. § 1127; *Lewis Silkin LLP*, 129 USPQ2d at 1020.

Although the amended petition to cancel has been considered in its entirety, with respect to its abandonment claim, Petitioner alleges, inter alia:⁵

7. Upon information and belief, Registrant expressly abandoned the Registered Mark. Petitioner conducted an independent investigation and failed to identify current use of the Registered Mark in connection with the Registered Goods on the Internet or elsewhere.

⁵ In the amended petition to cancel, Petitioner refers to its abandonment claim as one of “Express Abandonment,” and to its alternative, partial abandonment claim as one of “Abandonment Based on Non-Use.” (6 TTABVUE 3–4). The Board notes that both of Petitioner's allegations as to abandonment are based on a theory of alleged non-use of the subject mark. However, Petitioner's partial abandonment claim relies upon the statutory presumption of abandonment arising from three consecutive years of alleged non-use as to particular goods. Fed. R. Civ. P. 8(d)(2) provides that “[a] party may set out 2 or more statements of a claim or defense alternatively or hypothetically, either in a single count or defense or in separate ones.”

8. Upon information and belief, Registrant is not currently providing the Registered Goods in U.S. commerce under the Registered Mark.

9. According to Registrant's Facebook page, Registrant's business is "permanently closed." See Exhibit B. By telling the public that ORCA Coffee is permanently closed, Registrant expressly abandoned the ORCA mark.

10. Registrant referred to a website located at <https://orca.coffee> on its Facebook page. See Exhibit B. However, there is no active website at that URL. See Exhibit C.

11. Upon information and belief, Registrant has not provided any of Registrant's Goods in U.S. commerce under the Registered Mark for an extended period of time. This supports the conclusion that Registrant has no intent to resume use of the mark in connection with the Registered Goods and expressly abandoned the mark.

12. Therefore, based on the above allegations, upon information and belief, Registrant has legally abandoned the Registered Mark pursuant to 15 U.S.C. § 1127.

(6 TTABVue 3-4). This is not sufficient to plead abandonment. In particular, Petitioner has not alleged non-use, i.e., that Respondent has ceased **use** of the mark in connection with the goods identified in the registration. See *Lewis Silkin LLP*, 129 USPQ2d at 1021.

In view of the foregoing, Respondent's motion to dismiss Petitioner's abandonment claim is GRANTED.

C. Partial Abandonment

To plead a claim of partial abandonment, a plaintiff must allege at least three consecutive years of non-use, or a period of non-use less than three years with an intent not to resume use, as to particular involved goods. 15 U.S.C. § 1127; *Lewis*

Silkin LLP, 129 USPQ2d at 1019; *Johnson & Johnson v. Obschestvo s Ogranitchennoy*, 104 USPQ2d 2037, 2039 (TTAB 2012).

Although the amended petition to cancel has been considered in its entirety, with respect to its partial abandonment claim, Petitioner alleges, inter alia:

15. Upon information and belief, Registrant is not currently providing “tea pods” or “tea based pods containing milk” under the Registered Mark in U.S. commerce, and has never sold these goods under the Registered Mark in U.S. commerce.

* * *

17. Upon information and belief, more than three years of non-use of the Registered Mark in connection with “tea pods” and “tea based pods containing milk” have elapsed since the date the mark was registered and the date the Statement of Use alleges Registrant’s Goods were first used in commerce in connection with the Registered Mark. As a result, there is a presumption that Registrant has no intent to resume use on such goods and therefore has abandoned the mark as to such goods.

18. Upon information and belief, Registrant’s business is permanently closed and Registrant has no intent to resume use of its mark in connection with and of the Registered Goods, including, specifically, the “tea pods” and “tea based pods containing milk” claimed in the Registration. See, e.g., Exhibits B and C.

19. Upon information and belief, Registrant has legally abandoned the Registered Mark pursuant to 15 U.S.C. § 1127.

(6 TTABVUE 4–5). This is not sufficient to plead partial abandonment as to “tea pods” and “tea based pods containing milk.” See *Lewis Silkin LLP*, 129 USPQ2d at 1018. In particular, Petitioner has not sufficiently alleged non-use. Under Section 45 of the Trademark Act, 15 U.S.C. § 1127, use in commerce does not necessarily require a sale. *Lens.com Inc. v. 1-800 Contacts Inc.*, 686 F.3d 1376, 103 USPQ2d 1672, 1675 (Fed. Cir. 2012) (“the actual sale of goods is not required to satisfy § 1127’s ‘use in commerce’ requirement”); see also *Lewis Silkin LLP*, 129 USPQ2d at 1018 (“‘nonuse’

of a mark for abandonment purposes means ‘no bona fide use of the mark made in the ordinary course of trade,’ and this is to be interpreted with flexibility to encompass a variety of commercial uses”).

In view of the foregoing, Respondent’s motion to dismiss Petitioner’s partial abandonment claim is GRANTED.

D. Fraud Based on Non-use

To plead a claim of fraud in the procurement of a registration, a plaintiff must allege facts which, if proven, would establish that: (1) the applicant made a false representation (misrepresentation) to the USPTO; (2) the false representation is material to the determination of registrability of a mark; (3) the applicant had knowledge of the falsity of the representation; and (4) the applicant made the representation with the intent to deceive the USPTO to issue the registration. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). The circumstances constituting fraud must be alleged “with particularity”; however, knowledge and intent may be alleged “generally.” Fed. R. Civ. P. 9(b). A pleading that simply alleges the substantive elements of fraud, without setting forth the particularized factual bases for the allegations, does not satisfy Fed. R. Civ. P. 9(b). *See Petroleos Mexicanos v. Intermix S.A.*, 97 USPQ2d 1403, 1407 (TTAB 2010) (citing *Asian and W. Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478 (TTAB 2009)).

Although the amended petition to cancel has been considered in its entirety, with respect to its claim of fraud based on non-use, Petitioner alleges, inter alia:

22. Upon information and belief, Registrant was not using the Registered Mark in U.S. commerce in connection with at least “tea pods”

and “tea based pods containing milk” as required by 15 U.S.C. § 1051 when Registrant filed the Statement of Use on September 26, 2016.

23. Upon information and belief, Registrant’s Statement of Use was false and/or fraudulent because, at the time of submission, the Registered Mark was not in use in the United States in connection with at least “tea pods” and “tea based pods containing milk.”

24. Upon information and belief, at the time Registrant submitted the Statement of Use, Registrant knew that it did not sell “tea pods” and “tea based pods containing milk” in connection with the Registered Mark and that its statement to the contrary to the USPTO was false.

25. Upon information and belief, Registrant submitted the Statement of Use with specific willful intent to deceive the USPTO for purposes of gaining registration of the Registered Mark.

26. Petitioner’s belief as to Registrant’s intent surrounding its submitted Statement of Use is based on a reasonable investigation into Registrant’s business and offerings and its review of all information publicly available, including the information provided by Registrant in its motion to dismiss. No information available to Petitioner shows or otherwise suggests that Registrant has ever offered “tea pods” or “tea based pods containing milk” in connection with the Registered Mark.

27. The application upon which the Registered Mark was based ultimately issued on December 13, 2016. In issuing the resulting registration for the Registered Mark, the USPTO relied on Registrant’s false and fraudulent declaration in the Statement of Use that Registrant was using the Registered Mark in connection with all of the Registered Goods.

28. But for Registrant’s false and fraudulent declaration in the Statement of Use that Registrant was using the Registered Mark in connection with all of the Registered Goods, the USPTO would not have granted registration of the Registered Mark.

29. Upon information and belief, Registrant has fraudulently obtained registration of the Registered Mark pursuant to 15 U.S.C. § 1119.

(6 TTABVue 5–7). This is insufficient to plead fraud based on non-use in this proceeding. In particular, Petitioner has not alleged that the subject mark was not in

use in commerce in connection with the identified goods prior to the expiration of the deadline for filing a statement of use.

Where the application underlying the involved registration in a cancellation proceeding was filed based on an intent to use under Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b), a plaintiff alleging fraud based on non-use, or non-use, with regard to that registration must plead that the defendant did not use its mark in connection with the goods or services in the registration prior to the expiration of the time for filing its statement of use. *See Embarcadero Techs., Inc. v. Delphix Corp.*, 117 USPQ2d 1518, 1524–26 (TTAB 2016). The application underlying the involved registration here was filed based on an intent to use under Trademark Act Section 1(b), 15 U.S.C. § 1051(b).⁶ Thus, Petitioner’s allegation that Respondent was not using the involved mark in commerce in connection with tea pods and tea based pods containing milk when Respondent filed its Statement of Use is insufficient to support a claim of fraud based on non-use.⁷

In view of the foregoing, Respondent’s motion to dismiss Petitioner’s fraud claim is GRANTED.

⁶ There are certain facts not subject to proof—such as the filing date, filing basis, publication date, and applicant’s name in an application that is the subject of Board proceeding—that the Board may consider when a party has filed a motion to dismiss 12(b)(6). *See Compagnie Gervais Danone*, 89 USPQ2d at 1256.

⁷ Petitioner is reminded that a party seeking cancellation of a registration for fraudulent procurement bears a heavy burden of proof. *In re Bose Corp.*, 91 USPQ2d at 1939 (citing *W.D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 377 F.2d 1001, 153 USPQ 749, 750 (CCPA 1967)). “Indeed, ‘the very nature of the charge of fraud requires that it be proven ‘to the hilt’ with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.’” *In re Bose*, 91 USPQ2d at 1939 (citing *Smith Int’l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981)).

II. Leave to Replead

The Board liberally grants leave to amend pleadings at any stage of a proceeding. *See, e.g., Polaris Indus. Inc. v. DC Comics*, 59 USPQ2d 1798, 1799 (TTAB 2000); *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1208 (TTAB 1997). Thus, consistent with Board practice, Petitioner is allowed until **May 21, 2021**, to file and to serve a second amended petition to cancel which sets forth legally sufficient claims of abandonment, partial abandonment, and/or fraud, failing which this proceeding may be dismissed.

III. Proceedings Resumed

Proceedings are resumed. Dates are reset as follows:

Time to Answer	6/20/2021
Deadline for Discovery Conference	7/20/2021
Discovery Opens	7/20/2021
Initial Disclosures Due	8/19/2021
Expert Disclosures Due	12/17/2021
Discovery Closes	1/16/2022
Plaintiff's Pretrial Disclosures Due	3/2/2022
Plaintiff's 30-day Trial Period Ends	4/16/2022
Defendant's Pretrial Disclosures Due	5/1/2022
Defendant's 30-day Trial Period Ends	6/15/2022
Plaintiff's Rebuttal Disclosures Due	6/30/2022
Plaintiff's 15-day Rebuttal Period Ends	7/30/2022
Plaintiff's Opening Brief Due	9/28/2022
Defendant's Brief Due	10/28/2022
Plaintiff's Reply Brief Due	11/12/2022
Request for Oral Hearing (optional) Due	11/22/2022

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).