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

Proceeding	92076315
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Canpack S.A.

*Petitioner,*

v.

Champion Container Corporation

*Registrant*

Cancellation No. 92076315

**PETITIONER’S RESPONSE TO REGISTRANT’S MOTION TO DISMISS**

**I. INTRODUCTION**

Petitioner Canpack S.A. (“Petitioner”) hereby submits its response to Registrant Champion Container Corporation’s (“Registrant”) “Motion to Dismiss Petition Seeking Cancellation for Failure to State a Claim Pursuant to FRCP 12(b)(6)” (“Registrant’s Motion” or Registrant’s Motion to Dismiss”).

Registrant has failed to establish grounds for dismissal of any of the claims in the Petition for Cancellation (the “Petition”) and is merely attempting to avoid filing a substantive response. Registrant’s argument for dismissal of Petitioner’s Section 2(d) claim is based upon an extremely narrow interpretation of Petitioner’s allegation of prior use, which would exclude any prior use in the United States. This interpretation is directly contrary to the well-established rule that for purposes of a motion to dismiss, the allegations in the complaint must be interpreted in the light most favorable to the plaintiff. The allegations in the Petition thus must be interpreted as alleging prior rights based upon prior use in commerce in the United States.

Registrant also argues that Petitioner’s two pending intent-to-use applications suggest that Petitioner’s allegation of prior use is false; however, the two pending applications are for a

stylized logo mark, whereas Petitioner's allegation of priority in the Petition is based upon Petitioner's prior use of the word mark CANPACK.

Registrant's arguments for dismissal of Petitioner's fraud, non-use, and abandonment claims are also baseless. These claims are all based upon the same set of facts, i.e. that Registrant is not using the mark in connection with the goods and services listed in the U.S. Registration No. 5,034,312; that Registrant was not using the mark at the time the application was filed; and that Registrant knowingly made a false allegation of use with the intent to deceive the USPTO. Contrary to Registrant's arguments, Petitioner clearly pleaded in the Petition that Registrant had actual knowledge of the falsity of its allegation of use, not merely that Registrant "knew or should have known" that the statement was false. Registrant also argues that Petitioner should have included all of the evidence supporting these claims in its Petition for Cancellation. However, even taking into account the heightened standard for fraud claims, Petitioner is not required to provide detailed support for these claims in the Petition. The allegations set forth in the Petition are more than sufficient to plead these claims, and the Trademark Trial and Appeal Board (the "Board") has specifically rejected arguments that a plaintiff alleging non-use or fraud based upon non-use must explain the basis for its knowledge of non-use in a Notice of Opposition or Petition for Cancellation.

Therefore, Registrant's Motion must be denied.

## **II. THE STANDARD FOR A MOTION TO DISMISS**

In order to withstand a motion to dismiss for failure to state a claim, a plaintiff need only allege such facts as would, if proved, establish that (1) the plaintiff has standing to maintain the proceedings, and (2) a valid ground exists for opposing the mark. 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. See *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); *Kelly Services Inc. v. Greene's Temporaries Inc.*, 25 U.S.P.Q.2d 1460 (TTAB 1992); and TBMP §503.02 (2d. ed. rev. 2004). For purposes of considering a motion to dismiss for failure to state a claim upon which relief can be granted, all of plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff. See *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 U.S.P.Q.2d 1038 (Fed. Cir. 1993); see also 5A Wright & Miller, Federal Practice And Procedure: Civil 2d §1357 (1990). The purpose of a Rule 12(b)(6) motion is to challenge "the legal theory of the complaint, not the sufficiency of any evidence that might be adduced" and "to eliminate actions that are fatally flawed in their legal premises and destined to fail." *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 26 U.S.P.Q.2d at 1041; *Fair Indigo LLC v. Style Conscience*, 85 U.S.P.Q.2d 1536, 1538 (TTAB 2007).

A motion to dismiss for failure to state a claim concerns only one issue: the legal sufficiency of the pleaded claims. *Guess? IP Holder L.P. v. Knowlux LLC*, 116 U.S.P.Q.2d 2018, 2019 (TTAB 2015) (citing *Advanced Cardiovascular Systems, Inc. v. SciMed Life Systems Inc.*, 26 U.S.P.Q.2d 1038, 1041 (Fed. Cir. 1993)). The question of whether the plaintiff will be able to prove the claims at trial is irrelevant to a motion to dismiss under Rule 12(b)(6). *Young v. AGB Corp.*, 47 U.S.P.Q.2d 1752, 1754 (Fed. Cir. 1998).

## **II. THE PETITION STATES A VIABLE CLAIM FOR CANCELLATION UNDER SECTION 2(D)**

Registrant first argues that Petitioner's claim of priority under Section 2(d) of the Trademark Act should be dismissed because Petitioner allegedly "cannot establish priority as a matter of law." Registrant's Motion, at 6. In order to assert a claim under Section 2(d) of the

Trademark Act, an opposer or petitioner must allege that it owns proprietary rights in its pleaded mark that are prior to the applicant's or registrant's rights in the subject mark, and that the applicant's or registrant's use of the subject mark is likely to cause confusion. *Herbko Int'l Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002); *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000).

Registrant's primary argument is that the Petition is insufficient to allege a claim of prior rights because Petitioner's allegation of prior use in Paragraph 21 of the Petition does not specifically reference prior use in the United States. Registrant argues that because Petitioner is a Polish entity, the allegations in Paragraph 21 could not possibly have been referring to prior use within the United States – despite the fact that Petitioner already referenced its use of the mark in the United States in Paragraph 19. Even setting aside the xenophobic nature of Registrant's argument, Registrant's argument also goes directly against the well-established rule that for purposes of a motion to dismiss, the facts in a complaint must be interpreted in the light most favorable to the plaintiff. *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993). Registrant is taking the exact opposite position: despite the fact that this is a pleading before the United States Patent and Trademark Office, challenging Registrant's right to continued registration of its mark in the United States, and despite the fact that the Petition just two paragraphs earlier specifically refers to Petitioner's use of the mark “in commerce in the United States” (Paragraph 19), Registrant argues that Petitioner's allegation of prior use in Paragraph 21 must somehow be interpreted as referring only to use outside of the United States.

However, construing the allegations in the light most favorable to Petitioner, as required by law, the Petition must be interpreted as alleging prior use in the United States. As noted

above, Petitioner already directly alleged use in the United States in Paragraph 19 of the Petition, and the allegation in Paragraph 21 that Petitioner's use was prior to any use by Registrant must be interpreted as referring to this same use, i.e. use within the United States.

Registrant also attempts to rely upon inadmissible evidence outside of the pleadings, namely the fact that Petitioner's two pending applications for a stylized CANPACK logo mark were filed based upon intent-to-use, rather than use in commerce. Registrant's reliance upon the filing bases of these applications is clearly improper, as the filing bases of these two applications are never mentioned in the Petition. For purposes of considering Registrant's Motion to Dismiss, the Board must limit its analysis to the allegations set forth in the Petition. In some cases, the Board may convert a motion to dismiss to a motion for summary judgment if the motion involves evidence outside of the pleadings; however, this option is not available to the Board where, as here, the parties have not yet served initial disclosures. *Nike, Inc. v. Palm Beach Crossfit Inc.*, 116 U.S.P.Q.2d 1025, 1028 (TTAB 2015). Therefore, the filing bases of Petitioner's two pending applications may not be considered for purposes of Registrant's Motion to Dismiss.

Petitioner erroneously cites *Compagnie Gervais Danone v. Precision Formulations LLC*, 89 U.S.P.Q.2d 1251, 1256 n.8 (TTAB 2009) for its argument that the Board can consider facts outside of the four corners of the petition. However, all the Board said in that case was that it could consider the filing date, applicant's name, and other facts in the application "that is the subject of an opposition proceeding," in order to determine if a party's allegations are well-pleaded. *Id.* Petitioner's pending applications are not the subject of this proceeding, and there is nothing in *Compagnie Gervais Danone* or any other case law that would allow the Board to consider the facts in applications that are not part of the proceeding and are not being relied upon by Petitioner as the basis for its claims in the proceeding.

Moreover, even if the Board were to consider Petitioner's pending applications in connection with Registrant's Motion, there is nothing in these applications that would contradict the allegations set forth in the Petition. It is true that the two pending applications were based upon intent-to-use; however, both of these applications are for a stylized version of Petitioner's CANPACK mark, not for the word mark CANPACK. The allegations in the Petition for Cancellation are based upon Petitioner's use of the word mark CANPACK. Petition for Cancellation, 19 ("Petitioner is using the mark CANPACK...in connection with [Petitioner's Goods and Services]"). Therefore, Registrant's argument that the pending applications show that Petitioner has somehow "conceded" that it was not using the CANPACK mark prior to Registrant's first use is baseless and absurd.

Registrant also spends several pages of its Motion arguing that Petitioner cannot rely upon the priority dates of its foreign and Madrid applications to establish priority over Registrant's mark. Registrant's Motion, at 8-9. This appears to be nothing more than an attempt to muddy the issues before the Board and to falsely create the impression that Petitioner does not have a firm basis for alleging prior rights. Petitioner never mentions any foreign registrations, foreign applications, or priority dates based upon foreign rights in its Petition. It is clear from Paragraphs 19-25 of the Petition that Petitioner is relying solely upon prior use in commerce as the basis for its claim of priority, and these allegations are more than sufficient to set forth a viable claim for cancellation under Section 2(d) of the Trademark Act.

Accordingly, Registrant's request for dismissal of Petitioner's Section 2(d) claim must be denied.

### III. THE PETITION STATES A VIABLE CLAIM FOR FRAUD

Registrant has also failed to show that Petitioner's fraud claim should be dismissed.

Fraud in procuring or maintaining a trademark registration occurs when an applicant or registrant knowingly makes a false, material representation of fact with the intent of obtaining or maintaining a registration to which it is not otherwise entitled. *In re Bose Corp.*, 580 F.3d 1240, 91 U.S.P.Q.2d 1938, 1939 (Fed. Cir. 2009). In determining whether an opposer or petitioner has set forth a viable claim for fraud, the Board must consider whether the plaintiff has pleaded particular facts, which, "if proven at trial, would establish that [the defendant] knowingly made a false, material statement with the intent to deceive the United States Patent and Trademark Office." *Caymus Vineyards v. Caymus Medical, Inc.*, 107 U.S.P.Q.2d 1519, 1522 (TTAB 2013).

Petitioner's fraud claim clearly meets the standard set forth by the Federal Circuit in *Bose*. Contrary to Registrant's implication, Petitioner did not merely allege that Registrant "knew or should have known" that its allegation of continued use was false, nor did Registrant allege "on information and belief" that Registrant's statement was false. Rather, Petitioner directly and specifically alleged in Paragraph 7 of the Petition that "Registrant knew that the statement in the sworn Declaration submitted with Application Serial No. 86/625,790 that Registrant "is using the mark in commerce on or in connection with the goods/services in the application was false." The Petition goes on to allege that Registrant made the false statement with the intent to deceive the USPTO, and that the false statement resulted in Registrant being granted a registration to which it was not entitled. These allegations are more than sufficient to meet the standard set forth in *Bose*. See *Caymus Vineyards*, 107 U.S.P.Q.2d at 1522 (finding that applicant set forth a viable counterclaim for fraud where "applicant alleges when and how the

fraud allegedly occurred and the content of the false representation, and identifies what was obtained by reason of the asserted fraud”).

Registrant has not cited a single case in which the Board has dismissed a fraud complaint where the opposer or petitioner alleged actual knowledge of falsity on the part of the applicant or registrant, as Petitioner has alleged in its Petition. The decision in *Societe Cooperative Vigneronne des Grandes Caves Richon-le-Zion and Zicron-Jacob Ltd. v. Albrecht-Piazza, LLC*, No. 91190040, 2009 WL 10194584 (TTAB Sept. 20, 2009), on which Registrant primarily relies, is not applicable because in that case, the applicant’s claim that the opposer’s claim of continued use was false was “based on information and belief,” rather than on actual knowledge. *Id.* at 4-5. That is clearly not the case here, where Petitioner has directly alleged that Registrant had actual knowledge that its allegation of use was false.

Registrant also complains that Petitioner’s allegation that Registrant was not using the mark at the time the Declaration was signed was made “without support.” Registrant’s Brief, at 12. However, the question of whether Petitioner can prove that Registrant was not using the mark is a question for trial, and there is no requirement for Petitioner to provide evidentiary support for the statements in its Petition. *See Lewis Silkin LLP v. Firebrand LLC*, 129 U.S.P.Q.2d 1015, 1020-21 (TTAB 2018) (“Whether the plaintiff will be able to prove its trademark claims is a matter for trial or summary judgment after the pleadings have closed, and is irrelevant to assessment of the legal sufficiency of the complaint.”). For purposes of setting forth a viable fraud claim, it is sufficient to allege that Petitioner was not using the mark at the time it made the false statements at issue.

Contrary to Registrant’s argument, there is also no requirement that Petitioner explain how it came to know that Registrant’s allegation of use was false. *See Lewis Silkin*, 129

U.S.P.Q.2d at 1020 (rejecting respondent's argument that Petition for Cancellation must contain allegations regarding petitioner's inquiry or investigation into respondent's alleged non-use). Moreover, requiring Petitioner to set forth the results of its investigation into Registrant's non-use of the mark in the Petition for Cancellation, as Registrant seems to suggest, would violate the work-product privilege. In fact, the Board has specifically rejected the argument that a petitioner must explain how it knows that an allegation of non-use is false:

The Board does see an increase in the argument (also made by Respondent) contending that every pleading must demonstrate that the party undertook a reasonable inquiry or investigation before filing its pleading. The argument generally either cites no authority or cites a jumble of the *Iqbal/Twombly* standard, the patent duty of disclosure, and/or Fed. R. Civ. P. 11 in support of this argument that the pleadings must demonstrate the results of the pre-filing investigation. The Board **strongly disagrees** that this is a requirement of the pleadings.

*Silkin*, 129 U.S.P.Q.2d at 1020 (emphasis added).

Registrant even suggests that the Petition should have addressed the specimens submitted by Registrant in connection with the prosecution of the application to registration. Registrant's Motion, at 13. This suggestion goes well beyond anything required or contemplated by the Federal Circuit in *Bose*. The web page specimens at issue were clearly fraudulent and should not have been accepted by the USPTO: while they may have displayed the CANPACK mark, they did not in any way refer or relate to the services covered by the U.S Registration No. 5,034,312. However, the question of whether the specimens are sufficient to show use of the mark is an issue for trial, and Petitioner was not required to explain in detail why the specimens were fraudulent in the Petition, or indeed to address the specimens at all. Puzzlingly, Registrant cites *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 U.S.P.Q.2d 1355, 1358-59 (TTAB 1989) in support of its position that the specimens should have been addressed in Petitioner's pleading, when this case stands for the exact opposite proposition: in *Marshall Field & Co.*, the Board

denied a request by the petitioner to amend the pleadings to assert the insufficiency of the specimens, stating that “the law is settled that the insufficiency of the specimens, per se, does not constitute grounds for cancelling a registration.” *Id.* at 1358. In any event, Petitioner’s fraud claim here is not based upon the insufficiency of the specimens, but rather upon Registrant’s knowingly false statement that it was still using the mark in connection with the goods and services listed in the U.S Registration No. 5,034,312 ; therefore, there was absolutely no need to address the specimens in the Petition for Cancellation.

In summary, Petitioner’s fraud claim clearly meets the standard set forth in Fed. R. Civ. P. 9(b) and *Bose*, and Registrant’s motion to dismiss this claim must be denied.

#### **IV. THE PETITION STATES VIABLE CLAIMS FOR NON-USE AND ABANDONMENT**

Registrant has also not shown any reason why Petitioner’s non-use and abandonment claims should be dismissed. The bases of these claims are also simple: Registrant was not using the mark at the time it filed the allegedly use-based application, Registrant has not used the mark in at least the last three years, and Registrant has no intent to resume use of the mark. These allegations are enough to plead viable claims for non-use and abandonment, even in light of the standard set forth by the Supreme Court in *Iqbal* and *Twombly*. See *Lewis Silkin LLP*, 129 U.S.P.Q.2d at 1017 (“[T]he Board has applied the *Iqbal/Twombly* standard to consider the legal sufficiency of an abandonment claim in three cases, without finding that the *Iqbal/Twombly* standard required more than the traditional pleading of nonuse plus intent not to resume.”) (*citing Dragon Bleu (SARL) v. VENM, LLC*, 112 U.S.P.Q.2d 1925, 1931 (TTAB 2014); *SaddleSprings Inc. v. Mad Croc Brands Inc.*, 104 U.S.P.Q.2d 1948, 1950 (TTAB 2012); and *Johnson & Johnson v. Obschestvo s Ogranitchennoy*, 104 U.S.P.Q.2d 2037 (TTAB 2012)). The question of

whether Petitioner will be able to prove these claims at trial is irrelevant to a motion to dismiss under Rule 12(b)(6).

Furthermore, as explained above, the Board has specifically rejected the argument that a plaintiff alleging non-use on the part of an applicant or registrant must explain the basis for the plaintiff's knowledge of the applicant's or registrant's lack of use. *Lewis Silkin*, 129 U.S.P.Q.2d at 1020-21. Again, Registrant's arguments "confuse the sufficient pleading of a claim with the obligation of proving such claim." *Young v. AGB Corp.*, 47 U.S.P.Q.2d 1752, 1754 (Fed. Cir. 1998).

Accordingly, the Petition for Cancellation sets forth viable claims for cancellation based upon non-use and abandonment, and Registrant's Motion to Dismiss these claims must be denied. *See Lewis Silkin*, 129 U.S.P.Q.2d at 1020 ("The petition to cancel pleads that Respondent is not using the mark with its goods and services, and has no intent to resume use. The Board finds that no more is necessary for a legally sufficient abandonment claim in the context of the Board's narrow jurisdiction limited to trademark registrability.").

#### **V. THE BOARD SHOULD DISREGARD REGISTRANT'S FRIVOLOUS ARGUMENT THAT PETITIONER FAILED TO ALLEGE STANDING**

Finally, in a last ditch effort to avoid addressing the substance of Petitioner's claims, Registrant has made the frivolous argument that Petitioner's allegation of standing only pertains to Registrant's Section 2(d) claim, and that Petitioner has failed to allege standing with regard to its other claims. Registrant's Brief, at 14-15. The Board should not waste any time on this trivial and absurd argument.

Registrant's argument is that the allegations establishing Petitioner's standing are set forth in Paragraphs 26-28 of the Petition, and that the most recent heading prior to the allegations of standing is the heading referencing Count IV, which appears before Paragraph 19. Registrant

apparently believes that the allegations of standing must be included under a separate “Standing” heading in order to apply to the entire complaint; however, there is no such requirement in the Trademark Rules, the Trademark Board Manual of Procedure, or the Federal Rules of Civil Procedure. All that is required is that a petition to cancel “must include a short and plain statement of the reason(s) why petitioner believes it is or will be damaged by the registration sought to be cancelled (i.e. petitioner’s standing to maintain the proceeding.” TBMP §309.03(a)(2).

Again, the Board has repeatedly held that for purposes of considering a motion to dismiss, the allegations in a pleading must be interpreted liberally and that the complaint must be construed in the light most favorable to plaintiff, as required by Fed. R. Civ. P. 8(f), *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007). It is clear from any reasonable reading of the Petition – let alone a reading in the light most favorable to Petitioner - that Count IV of the Petition is limited to Paragraphs 19-25, which sets forth the basis for Petitioner’s Section 2(d) claim, and that Paragraphs 26-28, setting forth Petitioner’s standing, are applicable to the entire Petition. There is no justification for limiting the applicability of these paragraphs to the priority claim. Petitioner’s argument regarding standing is that the continued registration of Registrant’s mark is preventing Petitioner from registering its two pending applications for its stylized CANPACK mark; this argument is equally applicable whether the grounds for cancellation are likelihood of confusion, fraud, abandonment, and/or any other conceivable basis. Indeed, under Registrant’s absurd reading of the Petition, even the request for relief would only be applicable to the Section 2(d) claim, and Petitioner would not be seeking any relief for the other claims. This is obviously not the case, as any reasonable reading of the Petition makes clear.

Therefore, the Board should reject Registrant's argument that Petitioner has failed to allege standing for the claims other than priority and likelihood of confusion.

**VII. THE BOARD SHOULD GRANT PETITIONER LEAVE TO RE-PLEAD ANY DEFICIENT CLAIMS**

It is clear that all four of the claims in the Petition for Cancellation are well-pleaded. However, in the event that the Board finds any of the claims to be deficient, Petitioner respectfully requests that the Board grant Petitioner leave to re-plead any such claims. The Board's practice is generally to allow for leave to amend any deficient pleading, if leave to re-plead would not be futile. *Dragon Bleu (SARL) v. VENM, LLC*, 112 U.S.P.Q2d 1925, 1929 n.10 (TTAB 2014); *Intellimedia Sports Inc.v. Intellimedia Corp.*, 43 U.S.P.Q.2d 1203, 1208 (TTAB 1997).

Therefore, leave to re-plead any insufficient claims should be freely granted.

**VIII. CONCLUSION**

For the reasons set forth above, Petitioner requests that the Board deny Registrant's Motion to Dismiss and order Registrant to serve its answer to the Petition within twenty days.

Respectfully submitted,

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