

This Opinion is Not a  
Precedent of the TTAB

Mailed: July 2, 2024

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board  
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*Ruifei (Shenzhen) Smart Technology Co., Ltd.*

*v.*

*Shenzhen Chengyan Science and Technology Co., Ltd.*

—  
Cancellation No. 92077931  
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Yong Chen of Liu, Chen & Hoffman LLP for Ruifei (Shenzhen) Smart Technology Co., Ltd.

Helen B. Jiang of Law Offices of Helen B. Jiang for Shenzhen Chengyan Science and Technology Co., Ltd.

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Before Lynch, Acting Deputy Chief Administrative Trademark Judge, and Lykos and Larkin, Administrative Trademark Judges.

Opinion by Larkin, Administrative Trademark Judge:

Shenzhen Chengyan Science and Technology Co., Ltd. (“Respondent” or “Registrant”) owns Registration No. 5060173 (the “173 Registration”) of the

standard-character mark DISO for “Earphones and headphones” and “Portable media players, namely, MP3 players” in International Class 9.<sup>1</sup>

Ruifei (Shenzhen) Smart Technology Co., Ltd. (“Petitioner”) seeks cancellation of Respondent’s registration, as amended, on the ground of fraud in its procurement and maintenance.

Both parties submitted evidence at trial, but only Petitioner filed a brief.<sup>2</sup> We deny the petition for cancellation.<sup>3</sup>

## I. Background

We summarize below the prior history of this proceeding because it provides necessary background to our disposition of the case at final decision.

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<sup>1</sup> The ’173 Registration issued on August 31, 2021 on the Principal Register with a much larger identification of goods. We explain below how the identification evolved into a shadow of its former self.

<sup>2</sup> Because Respondent was under no obligation to file a brief, “we do not construe Respondent’s failure to do so as a concession of the case,” *Yazhong Investing Ltd. v. Multi-Media Tech. Ventures, Ltd.*, 2018 WL 2113778, at \*4 n.13 (TTAB 2018), particularly given that Respondent filed evidence at trial. Petitioner, as plaintiff, must still prove its entitlement to petition to cancel and grounds for cancellation. *Id.*

Citations in this opinion to Petitioner’s brief and other materials in the case docket refer to TTABVUE, the Board’s online docketing system. *See New Era Cap Co. v. Pro Era, LLC*, 2020 WL 2853282, at \*1 n.1 (TTAB 2020). The number preceding TTABVUE corresponds to the docket entry number, and any numbers following TTABVUE refer to the page(s) of the docket entry where the cited materials appear. Petitioner’s brief appears at 26 TTABVUE. Citations in this opinion to the file history of the ’173 Registration are to pages in the Trademark Status & Document Retrieval (“TSDR”) database of the United States Patent and Trademark Office (“USPTO”).

<sup>3</sup> As part of an internal Board pilot program on broadening acceptable forms of legal citation in Board cases, the citation form in this opinion is in a form provided in Section 101.03 of the TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (“TBMP”) (2024). This opinion cites decisions of the U.S. Court of Appeals for the Federal Circuit and the U.S. Court of Customs and Patent Appeals only by the page(s) on which they appear in the Federal Reporter (e.g., F.2d, F.3d, or F.4th). For decisions of the Board, this opinion employs citation to the Westlaw (“WL”) database. Practitioners should also adhere to the practice set forth in TBMP § 101.03.

When this proceeding began, the identification of goods in the '173 Registration was quite lengthy:

Earphones and headphones; Wireless cellular phone headsets; Wearable digital electronic devices comprised primarily of software and display screens for viewing, sending and receiving texts, e-mail, data and information from smart phones, tablet computers and portable computers which also featuring a wristwatch; Portable media players, namely, MP3 players; Communications headsets for use with communication radios, intercom systems, or other communications network transceivers; Audio Speakers; Cell phones; Mobile data terminal (MDT); Cases for music, audio and related electronic equipment, namely, cases for audio tuners, audio receivers, amplifiers, tape players, compact disc players, MP3 controllers/players, audio mixers, audio speakers in the nature of music studio monitors, microphones, audio speakers, compact discs, audio tapes, portable computers, antennas, phonographic record players, audio recording equipment, and the cables associated with all of the foregoing equipment.

1 TTABVUE 4-5 (Pet. for Canc. ¶ 3).

Petitioner alleged in its original Petition for Cancellation that Respondent “had no bona fide use of its DISO mark prior to the filing of” Application Serial No. 86479108 (the “108 Application”), which matured into the '173 Registration, *id.* at 6 (Pet. for Canc. ¶ 7),<sup>4</sup> and that as a result Respondent committed fraud on the USPTO when it filed the '108 Application. *Id.* (Pet. for Canc. ¶¶ 8-11). Petitioner also alleged that Respondent had abandoned the DISO mark because it was not using the mark when the '173 Registration issued and did not sell the goods identified in the '173

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<sup>4</sup> Petitioner did not include a fraud claims based on no pre-filing use of the DISO mark in its First Amended Petition for Cancellation. First Amend. Pet. for Canc. ¶¶ 9-17 (17 TTABVUE 5-6).

Registration for three consecutive years after its issuance. *Id.* (Pet. for Canc. ¶¶ 12-18). In its Answer, Respondent denied the salient allegations in the original Petition for Cancellation. 4 TTABVUE 2-4 (Answ. ¶¶ 1-18).

Discovery ensued and following its close, Petitioner moved to amend its Petition for Cancellation to add claims for fraud on the USPTO based on Respondent's November 14, 2021 filing of its Section 8 Declaration of use to maintain the '173 Registration, and based on Respondent's August 3, 2016 filing of its Statement of Use to obtain the '173 Registration, allegedly based on information that Petitioner had obtained in discovery. 11 TTABVUE 2-210. Petitioner simultaneously moved for partial summary judgment on its new amended fraud claim directed to the procurement and maintenance of the '173 Registration. 10 TTABVUE 2-317. Respondent opposed the motion for summary judgment, 13 TTABVUE 2-14, and Petitioner filed a reply in support of the motion. 14 TTABVUER 2-10.

In a precedential order on the two motions, the Board first granted Petitioner's motion to amend as conceded and accepted the proposed First Amended Petition for Cancellation as Petitioner's operative pleading. *Ruifei (Shenzhen) Smart Tech. Co. v. Shenzhen Cheng Sci. & Tech. Co.*, 2023 WL 246587, at \*1 (TTAB 2023). With respect to the summary judgment motion, the Board noted that Petitioner had mentioned that Respondent had amended the identification of goods in the '173 Registration in connection with the filing of Respondent's Section 8 Declaration by deleting certain goods from the identification, which deletion the Board stated had to be addressed before the Board reached the merits of the summary judgment motion. *Id.* at \*2-3.

The Board then summarized the circumstances surrounding the deletions in detail. *Id.* We summarize those circumstances below to the extent necessary to explain how the identification of goods in the '173 Registration became the limited one that is before us at final decision and to address Petitioner's fraud claims at final decision.

In Respondent's Section 8 Declaration, which was executed by Respondent's attorney Helen B. Jiang and filed during the pendency of this proceeding,<sup>5</sup> Respondent alleged continuing use of its DISO mark in connection with all of the numerous goods in the '173 Registration.<sup>6</sup> The USPTO's Post-Registration Section ("Post-Registration") issued two Office Actions on Respondent's Section 8 Declaration in the course of conducting an audit of the '173 Registration to determine whether Respondent's mark was in fact in use in commerce as alleged.<sup>7</sup> In response to the Office Actions, Respondent ultimately deleted all of the goods identified in the '173 Registration except "earphones and headphones; portable media players, namely, MP3 players." Post-Registration accepted Respondent's Section 8 Declaration as to the '173 Registration with respect to those goods only. Those goods are the ones in the '173 Registration before us for final decision.

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<sup>5</sup> "Respondent's obligations under Trademark Act Section 8 were not suspended or discharged as a result of this cancellation proceeding." *Ruifei (Shenzhen) Smart Tech.*, 2023 WL 246587, at \*2 n.4 (citations omitted).

<sup>6</sup> Trademark Rule 2.122(b)(1), 37 C.F.R. § 2.122(b)(1), provides that the file history of any registration that is the subject of a cancellation proceeding is automatically of record in that proceeding. The "file of a registration includes any maintenance documents and related office action filed in the USPTO after the commencement of a cancellation proceeding." *Ruifei (Shenzhen) Smart Tech.*, 2023 WL 246587, at \*2 n.3.

<sup>7</sup> In a footnote in the order, the Board explained the USPTO's program of randomly auditing registrations with required maintenance filings. *Ruifei (Shenzhen) Smart Tech.*, 2023 WL 246587, at \*2 n.5.

The Board also considered the impact of these events on Petitioner's claims in this proceeding. After summarizing the law regarding deletions of goods made during the pendency of a proceeding, *Ruifei (Shenzhen) Smart Tech.*, 2023 WL 246587, at \*3-4, the Board allowed Respondent 20 days in which to "file with the Board and serve on Petitioner, a response showing cause why its deletion of certain goods in the [173 Registration] should not be deemed the equivalent of a partial cancellation of the [173 Registration] by request of Respondent without Petitioner's consent" and "should not therefore result in judgment against Respondent on Petitioner's abandonment claim as to the deleted goods." *Id.* at \*5. The Board held that

[i]f Respondent submits a showing that it permitted the partial cancellation of those goods under Trademark Act Section 8 because its registered mark had been abandoned as to those goods, and that the abandonment was not made for purposes of avoiding the proceeding, judgment will be entered against it only and specifically on the ground of abandonment as to the deleted goods, . . . Alternatively, if Respondent demonstrates that the deletion was not made deliberately to avoid judgment on the ground of abandonment and shows good and sufficient cause why judgment should not be entered against it on abandonment, Petitioner will be allowed time to elect whether to move forward with its abandonment claim along with its remaining fraud claim, including as to the deleted goods, or request that this proceeding against the deleted goods be dismissed without prejudice.

*Id.* (citations omitted).

Respondent subsequently filed an Answer to the First Amended Petition for Cancellation, 18 TTABVUE, and responded to the Board's order by stating that Respondent "permitted the partial cancellation of those goods under Trademark Act Section 8 because its registered mark had been abandoned as to those goods, and that

the abandonment was not made for purposes of avoiding the proceeding.” 19 TTABVUE 2. Respondent argued that “[i]f the board enters judgment based on abandonment of the deleted goods, the Board should not permit the cancellation of the entire class of the goods for which the Respondent sought registration but only for those goods discontinued because of Respondent’s business decision.” *Id.* at 2-3.

In a subsequent order, the Board granted Petitioner’s Amended Petition for Cancellation and entered judgment against Respondent only on the ground of abandonment and only as to the following goods:

Wireless cellular phone headsets; wearable digital electronic devices comprised primarily of software and display screens for viewing, sending and receiving texts, e-mail, data and information from smart phones, tablet computers and portable computers which also featuring a wristwatch; communications headsets for use with communication radios, intercom systems, or other communications network transceivers; audio speakers; cell phones; mobile data terminal (MDT); cases for music, audio and related electronic equipment, namely, cases for audio tuners, audio receivers, amplifiers, tape players, compact disc players, MP3 controllers/players, audio mixers, audio speakers in the nature of music studio monitors, microphones, audio speakers, compact discs, audio tapes, portable computers, antennas, phonographic record players, audio recording equipment, and the cables associated with all of the foregoing equipment.

20 TTABVUE 3.

The Board further stated that

[t]his proceeding will continue only on the grounds of abandonment as to ‘earphones and headphones; portable media players, namely, MP3 players’ and fraud as to: Earphones and headphones; wireless cellular phone headsets; wearable digital electronic devices comprised primarily of software and display screens for viewing, sending and receiving texts, e-mail, data and information

from smart phones, tablet computers and portable computers which also featuring a wristwatch; portable media players, namely, MP3 players; communications headsets for use with communication radios, intercom systems, or other communications network transceivers; audio speakers; cell phones; mobile data terminal (MDT); cases for music, audio and related electronic equipment, namely, cases for audio tuners, audio receivers, amplifiers, tape players, compact disc players, MP3 controllers/players, audio mixers, audio speakers in the nature of music studio monitors, microphones, audio speakers, compact discs, audio tapes, portable computers, antennas, phonographic record players, audio recording equipment, and the cables associated with all of the foregoing equipment.

*Id.* at 4.

The Board then turned to Petitioner's motion for summary judgment on its fraud claim with respect to the goods remaining in the '173 Registration, "earphones and headphones; portable media players, namely, MP3 players." *Id.* at 5. The Board found, for purposes of the motion only, that Petitioner is entitled to bring this proceeding, *id.* at 7, but that Petitioner "failed to meet its burden of demonstrating no genuine dispute of material fact that Respondent possessed the requisite intent to deceive the USPTO in procuring and maintaining the subject registration." *Id.* at 8.<sup>8</sup>

## **II. Record**

The record consists of the First Amended Petition for Cancellation and Respondent's Answer thereto;<sup>9</sup> the file history of the '173 Registration, by operation

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<sup>8</sup> The Board also held that to the extent that Respondent sought partial summary judgment on the fraud claim, that cross-motion was also denied. 20 TTABVUE 9.

<sup>9</sup> Respondent denied the salient allegations in the First Amended Petition for Cancellation and did not assert any affirmative defenses.



of Trademark Rule 2.122(b)(1), 37 C.F.R. § 2.122(b)(1);<sup>10</sup> Petitioner’s Notice of Reliance on the file history of the ’173 Registration, the file history of Petitioner’s pending Application Serial No. 90249959, and what Petitioner described as “[c]opies of the entirety of documents produced from Registrant in its Initial Disclosure by Ms. Jiang, Registrant’s counsel of record,” 21 TTABVUE 1-313; the Testimony Declaration of Petitioner’s Brand Manager Yao Quan, 22 TTABVUE 1-31; and Respondent’s Notice of Reliance on the file history of the ’173 Registration, what Respondent called “Documents Relating to Registrant’s Initial and Continual Use of U.S. Trademark Registration No. 5060173,” and the Testimony Declaration of Respondent’s CEO Chengyan Wang (“CEO Wang”). 24 TTABVUE 1-167. Neither party cross-examined the other’s declarant.

### **III. Entitlement to a Statutory Cause of Action**

“To establish entitlement to bring a statutory cause of action, a plaintiff must demonstrate: (i) an interest falling within the zone of interests protected by the statute and (ii) a reasonable belief in damage proximately caused by the registration or continued registration of the mark.” *Iron Balls Int’l Ltd. v. Bull Creek Brewing, LLC*, 2024 WL 284425, at \*1 (TTAB 2024) (citations omitted). “A plaintiff’s entitlement to invoke a statutory cause of action for opposition or cancellation is a necessary element in every inter partes case even if, as here, the defendant does not

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<sup>10</sup> Petitioner and Respondent both unnecessarily made all or portions of the file history of the ’173 Registration of record under their respective Notices of Reliance. 21 TTABVUE 111-247; 24 TTABVUE 5-37.

contest the plaintiff's entitlement." *Sabhnani v. Mirage Brands, LLC*, 2021 WL 6072822, at \*6 (TTAB 2021) (citation omitted).

As noted above, Petitioner made of record the file history of its pending Application Serial No. 90249959 to register the standard-character mark DIZO for a variety of goods in International Class 9, which has been refused by the USPTO based on the '173 Registration and is in suspension pending the outcome of this proceeding. 21 TTABVUE 9. "Petitioner's evidence that its pending trademark application has been refused registration based on Respondent's registration demonstrates that Petitioner has a real interest in the proceeding and a reasonable belief that it would be damaged by the continued . . . registration of Respondent's mark, thus establishing its entitlement." *Iron Balls*, 2024 WL 284425, at \*1.

#### **IV. Petitioner's Fraud Claim<sup>11</sup>**

##### **A. Applicable Law**

Section 14 of the Trademark Act "allows a third party to seek cancellation of [a] registration when the 'registration was obtained fraudulently . . . ." *Great Concepts, LLC v. Chutter, Inc.*, 90 F.4th 1333, 1339 (Fed. Cir. 2024) (cleaned up) (quoting 15

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<sup>11</sup> In its order denying Petitioner's motion for summary judgment, the Board stated that "[t]his proceeding will continue only on the grounds of abandonment as to 'earphones and headphones; portable media players, namely, MP3 players'," 20 TABVUE 4, and fraud as to a wider range of goods. *Id.* In its trial brief, Petitioner has not pursued its abandonment claim, 26 TTABVUE 5, identifying the sole issue for trial as "[w]hether Registrant committed fraud in the procurement and maintenance of the DISO Registration." *Id.* Petitioner's abandonment claim is thus deemed impliedly waived. *Flame & Wax, Inc. v. Laguna Candles, LLC*, 2022 WL 3083070, at \*2 (TTAB 2022) (citations omitted). *See generally In re Google Tech. Holdings LLC*, 980 F.3d 858, 862-63 (Fed. Cir. 2020) ("Whereas forfeiture is the failure to make the timely assertion of a right, waiver is the intentional relinquishment or abandonment of a known right." (internal quotation marks omitted)).

U.S.C. § 1064(3)), decision modified Jan. 10, 2024.<sup>12</sup> A registration may be “obtained fraudulently” within the meaning of Section 14(3) of the Act based on fraud committed in connection with its issuance or its maintenance. *Id.* at 1338-39 (citing *Torres v. Cantine Torressella S.r.l.*, 808 F.2d 46, 48 (Fed. Cir. 1986)).

“Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application.” *In re Bose Corp.*, 580 F.3d 1240, 1243 (Fed. Cir. 2009) (quoting *Torres*, 808 F.2d at 48).<sup>13</sup> “A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof.” *Id.* (citation omitted). “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.” *Id.* (internal quotation omitted).

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<sup>12</sup> In *Great Concepts*, the Federal Circuit reversed the Board’s decision in *Chutter, Inc. v. Great Mgmt. Grp., LLC*, 2021 WL 4494251 (TTAB 2021) (“*Chutter*”), in which the Board cancelled a registration based on fraud in the Section 15 portion of a combined declaration under Sections 8 and 15 of the Trademark Act. The reversal was based on the narrow ground that the Trademark Act “does not authorize cancellation of a registration when the incontestability status of that mark is ‘obtained fraudulently.’” *Great Concepts*, 90 F.4th at 1337. As the court explained, “[o]ur ruling that a Section 14 cancellation of registration is not an available remedy for a fraudulent Section 15 declaration – a conclusion we reach because Congress chose not to empower the Board with the ability to impose that specific consequence – is a ruling only that this one remedy is unavailable, leaving the Board, we expect, with sufficient mechanisms to adequately deter fraud.” *Id.* at 1344. *Chutter* remains good law and binding precedent with respect to its analysis of fraud per se, which we discuss below.

<sup>13</sup> A false statement in Respondent’s Statement of Use or in its Section 8 Declaration that the DISO mark was in use in commerce in connection with all of the identified goods would be material as a matter of law to the decision of the USPTO to issue or maintain the ’173 Registration. *See, e.g., Nationstar Mortg. LLC v. Ahmad*, 2014 WL 6480655, at \*4 (TTAB 2014). We will thus assume the materiality of the statements that Petitioner claims are false and fraudulent.

In *Bose*, the Federal Circuit held that “there is ‘a material legal distinction between a ‘false’ representation and a ‘fraudulent’ one, the latter involving an intent to deceive, whereas the former may be occasioned by a misunderstanding, an inadvertence, a mere negligent omission, or the like.” *Id.* (quoting *Kemin Indus., Inc. v. Watkins Prods., Inc.*, 1976 WL 21132, at \*3 (TTAB 1976) (internal citation omitted)). “In other words, deception must be willful to constitute fraud.” *Id.*

Accordingly, a registration “is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO,” and “[s]ubjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis.” *Id.* at 1245. “Of course, ‘because direct evidence of deceptive intent is rarely available, such intent can be inferred from indirect and circumstantial evidence. But such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.’” *Id.* (quoting *Star Sci., Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.2d 1357, 1366 (Fed. Cir. 2008)). “When drawing an inference of intent, ‘the involved conduct, viewed in light of all the evidence . . . must indicate sufficient culpability to require a finding of intent to deceive.’” *Id.* (quoting *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 876 (Fed. Cir. 1988)).

In *Bose*, the Federal Circuit left open the question of whether “a submission to the [US]PTO with reckless disregard of its truth or falsity satisfies the intent to deceive requirement.” *Bose*, 580 F.3d at 1246 n.2. The Board answered that question in *Chutter*, holding “as a matter of law that reckless disregard satisfies the requisite

intent for fraud on the USPTO in trademark matters.” *Chutter*, 2021 WL 4494251, at \*6. The Board defined “reckless disregard” as the “conscious indifference to the consequences of an act.” *Id.* at \*9 (quoting BLACK’S LAW DICTIONARY (11th ed. 2019)). The Board held that a “declarant is charged with knowing what is in the declaration being signed, and by failing to make an appropriate inquiry into the accuracy of the statements the declarant acts with a reckless disregard for the truth.” *Id.* (citing *Standard Knitting, Ltd. v. Toyota Jidosha K.K.*, 2006 WL 173463, at \*12 (TTAB 2006)). Petitioner relies heavily on *Chutter* on the critical element of deceptive intent, 26 TTABVUE 15-17, and argues that “[t]he facts of the case at hand are quite similar to the facts of the *Chutter* case,” *id.* at 17, so we summarize some of the key facts in *Chutter* immediately below.

In *Chutter*, the Board found that the Section 15 portion of the respondent’s combined Section 8 and 15 Declaration was fraudulent because a Section 15 Declaration cannot be filed unless “there is no proceeding involving said rights pending in the United States Patent and Trademark Office or in a court and not finally disposed of,” *Chutter*, 2021 WL 4494251, at \*7 (quoting 15 U.S.C. § 1065), and the respondent’s attorney Frederick Taylor, who filed the Combined Declaration, “knew when he filed the Combined Declaration that both a Board proceeding and civil action were pending against the [registrant] which involved its right to register and use the [registered] mark,” *id.* at \*8, but was “not aware of the legal requirements for filing a Section 15 Declaration with the USPTO.” *Id.* The petitioner in *Chutter* obtained this information regarding the attorney’s state of mind when he filed the

Combined Declaration from the attorney's discovery deposition. *Id.* at \*8 nn.46-47.<sup>14</sup> The attorney also testified in his discovery deposition that "he did not review the Combined Declaration carefully enough to see that the statement is in [t]here incorrectly," *id.* (internal quotation and quotation marks omitted), and the Board found that "although he knew the repeated statement regarding other proceedings was false, he did not read the filing closely enough to realize the statement was in the filing and supporting declaration." *Id.*

The Board also noted that "[n]either Mr. Taylor, nor [the respondent], notified the USPTO about the false statement in the Section 15 Declaration of Incontestability," and noted "three facts regarding Defendant's failure to correct the declaration." *Id.* First, the attorney had received a filing receipt that "summarized the contents of the Combined Declaration, including recitation of the statement regarding other proceedings, and explained the means for remedying any error in the information." *Id.*<sup>15</sup> Second, the petitioner had made the respondent "aware of the mistake in the Section 15 Declaration of Incontestability at issue in February 2014 when [the petitioner's] counsel discussed the falsity of the declaration with [the respondent's counsel]." *Id.* & n.52. Third, the respondent "was aware of the mistake in the Section 15 Declaration of Incontestability at least as early as July 29, 2015, the filing date of the Petition for Cancellation," in which the petitioner alleged that the statement in

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<sup>14</sup> The attorney also testified that he "would have to consult the statute to determine the requirements for a Section 15 Declaration." *Chutter*, 2021 WL 4494251, at \*8 n.46 (internal quotation and quotation marks omitted).

<sup>15</sup> These facts came from the discovery deposition of another witness. *Id.* at \*8 nn.50-51.

the Combined Declaration was false. *Id.* & n.53. The Board found that “[e]ven after opposing counsel in these proceedings brought the incorrect filing to Defendant's attention, neither Defendant, Mr. Taylor, nor anyone else, took any remedial steps,” *id.* at \*12, from which the Board found that “Mr. Taylor intended to file just what he filed, regardless of its accuracy.” *Id.*

The Board found that Mr. Taylor

paid little, or no, attention to the document he was signing under oath and thereby disregarded the significance of the benefits he was obtaining for his client. By failing to ascertain and understand the import of the document he was signing, far from conscientiously fulfilling his duties as counsel, Mr. Taylor acted in reckless disregard for the truth; nor did he take any action to remedy the error once it was brought to his attention. Mr. Taylor was especially reckless because he was admittedly unfamiliar with the requirements for filing a Section 15 Declaration.

*Id.* at \*9.

The Board concluded by finding that “Attorney Taylor’s conduct constitutes reckless disregard, which is the legal equivalent of finding that Defendant Great Concepts had the specific intent to deceive the USPTO. In sum, Great Concepts submitted the Section 15 declaration containing false material representations of fact with the intent to deceive the USPTO.” *Id.* at \*13. As noted above, *Chutter* remains applicable precedent on proof of deceptive intent in the form of reckless disregard of the truth or falsity of inaccurate statements to the USPTO.

If Petitioner shows that Respondent committed fraud on the USPTO with respect to any of the goods identified in the ’173 Registration at the time of the fraud, the ’173 Registration must be cancelled as to the handful of goods remaining in the single-

class registration at the time of trial even if Respondent did not commit fraud as to those goods per se. “Fraud as to any goods in a single class renders [a registration] void as to all goods in that class, so fraud based on nonuse cannot be cured by deleting some goods from a class.” *Univ. of Ky. v. 40-0, LLC*, 2021 WL 839189, at \*10 (TTAB 2021) (citing *Meckatzer Lowenbrau Benedikt Weiss KG v. White Gold, LLC*, 2010 WL 1946273, at \*3 (TTAB 2010) and *G&W Labs. Inc. v. GW Pharma Ltd.*, 2009 WL 226025, at \*2 (TTAB 2009)).

### **B. Petitioner’s Arguments**

Petitioner summarizes its argument that Respondent committed fraud in the procurement and maintenance of the ’173 Registration as follows:

From evidence from the entire trial records, including the submissions by the Registrant to the USPTO in its Statement of Use filed during procurement of the DISO Registration, post-registration filings of Declaration of Use and Office Action responses for the DISO Mark, documents produced by Registrant during the discovery period . . . and evidence relied on [by] the Registrant in its Notice of Reliance (including Exhibit A and Exhibit B) as well as Registrant’s Testimony by a Declaration of Chengyan WANG . . . including its Exhibit 1 and Exhibit 2 thereto), it is clear that Registrant, **at best**, used the DISO Mark on earphones/headphones and MP3 players in commerce, but did not use the DISO Mark on the remaining numerous goods in the original DISO Registration and those numerous goods deleted during post-registration responses made by the Registrant. Therefore, it is abundantly clear that the statements made by the Registrant in these USPTO submissions were false. It is also abundantly clear the Registrant knew or at a minimum demonstrated reckless disregard of the truth of a material statement in its filings with the USPTO in the procurement of the DISO Registration as well as in maintaining the DISO Registration.



26 TTABVUE 5 (emphasis in bold here in italics in the original).

**1. Fraud in the Procurement of the '173 Registration**

Petitioner cites Respondent's August 3, 2016 Statement of Use, in which Respondent's CEO Wang stated under oath that Respondent's DISO mark was "in use in commerce on or in connection with all of the goods . . . listed in the . . . Notice of Allowance," which at the time were the following:

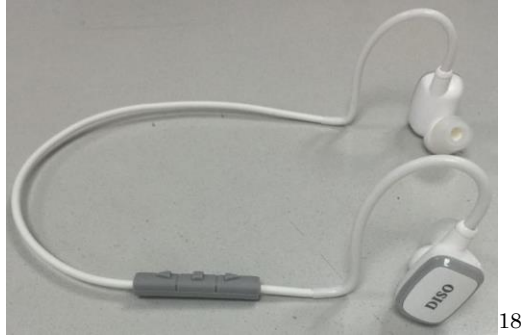
Earphones and headphones; Wireless cellular phone headsets; Wearable digital electronic devices comprised primarily of software and display screens for viewing, sending and receiving texts, emails, data and information from smart phones, tablet computers and portable computers which also featuring a wristwatch; Portable media players, namely, MP3 players; Communications headsets for use with communication radios, intercom systems, or other communications network transceivers; Audio Speakers; Cell phones; Mobile data terminal (MDT); Cases for music, audio and related electronic equipment, namely, cases for audio tuners, audio receivers, amplifiers, tape players, compact disc players, MP3 controllers/players, audio mixers, audio speakers in the nature of music studio monitors, microphones, audio speakers, compact discs, audio tapes, portable computers, antennas, phonographic record players, audio recording equipment, and the cables associated with all of the foregoing equipment.<sup>16</sup>

Respondent's Statement of Use was supported by the specimen shown below, which Respondent described as a "digital image of product currently used in commerce":<sup>17</sup>

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<sup>16</sup> August 3, 2016 Statement of Use at TSDR 1.

<sup>17</sup> *Id.*



Petitioner argues that when Respondent filed its Statement of Use, “in fact it had not used its DISO Mark on more than the first good ‘Earphones and headphones.’” *Id.* at 14. Petitioner cites (1) Respondent’s “entire document production in this cancellation proceeding,” which is Exhibit C to Petitioner’s Notice of Reliance, (2) Exhibit B to Respondent’s Notice of Reliance, which Respondent described as “Documents Relating to Registrant’s Initial and Continual Use of U.S. Trademark Registration No. 5060173,” and (3) CEO Wang’s Declaration. *Id.* Petitioner argues that this evidence collectively “reveals immediately that even if Registrant has been using its DISO Mark in commerce, it at best only used the DISO Mark in association with certain headphone/earbud products but not other variety of goods before securing the original DISO Registration.” *Id.* According to Petitioner, Respondent “never produced any evidence in this cancellation proceeding to show that the DISO Mark was used on anything else when the DISO Registration was first issued” and “[t]his is also consistent with the sole specimen (for an earbud) submitted in its Statement of Use.” *Id.*<sup>19</sup>

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<sup>18</sup> *Id.* at TSDR 2.

<sup>19</sup> Petitioner does not challenge the bona fides of Respondent’s specimen on its Statement of Use, and we cannot find nonuse on all of the goods from the fact that Respondent submitted

Petitioner also cites the Wang Declaration, in which Respondent's CEO testified "about the prosecution and maintenance history of the [173 Registration]," but was "deliberately vague about on what goods the DISO Mark were [sic] used by stating 'We placed the goods with trademark 'DISO' on market in May of 2016 [and] [i]t was first sold in the store and in July 2016, we offered to sale on www.amazon.com . . . .'" *Id.* at 19 (quoting Wang Decl. ¶ 3 (24 TTABVUE 101)). Petitioner asks "What goods other than headphones/earphones?" and "What about all the other goods on the original registration certificate?" *Id.* Petitioner also argues that "Exhibit 1 of [the] WANG Declaration does not provide any evidence other than an Amazon listing of a DISO branded earphone created on July 20, 2016 (only about two weeks before the Statement of Use was submitted) - not any other goods in the original [173] Registration." *Id.*

Petitioner further argues that

product information for this MP3 player clearly indicates that its "Date First Available" was April 27, 2017 . . . which is after the date of the Statement of Use of August 3, 2016 that resulted in the registration of the DISO Mark. This means, at the date of the Statement of Use, the product MP3 player bearing the DISO Mark was simply not available for sale yet. There is no evidence in the trial records anywhere that indicates Registrant's DISO Mark was used on any MP3 player prior to April 27, 2017, or any other products other than headphones/earphones, indicating that the Statement of Use was clearly false.

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a "sole specimen (for an earbud) [with] its Statement of Use," 26 TTABVUE 14, because Respondent was required to submit only "one specimen per class showing the mark as actually used in commerce on or in connection with the goods . . . identified" in its Statement of Use, unless specifically required by the Examining Attorney to provide more. Trademark Rule 2.56(a), 37 C.F.R. § 2.56(a).

*Id.* at 20.

On the issue of deceptive intent, Petitioner argues that the record “clearly shows” that Respondent knew that its statement in the Statement of Use that the mark was in use on all of the goods identified in the application was false, or that it recklessly disregarded the truth of that statement. *Id.* at 15. According to Petitioner,

[i]n the Statement of Use filed in the prosecution of the DISO Mark, the Signatory WANG clearly recklessly disregarded the falsity of his/her statements that the DISO Mark was used in all of the goods identified in the Notice of Allowance—when all the evidence of record leads to the inescapable conclusion that the Registrant at best only used [the] DISO Mark for headphones/earphones before filing the Statement of Use.

*Id.* at 16.

## **2. Fraud in the Maintenance of the '173 Registration**

Petitioner next argues that

in its Section 8 Declaration of Use submitted on November 14, 2021, Registrant, via its attorney Ms. Jiang, represented under penalty of perjury to the USPTO that it had been using its DISO Mark on the same numerous goods identified in the original DISO Registration, while it is abundantly clear from the evidence of the record that Registrant, at best, only used the DISO Mark in association with certain headphone/earphone products (and at most with another product “Portable media players, namely, MP3 players”) after the DISO Mark was registered. Registrant never produced any evidence in this cancellation proceeding showing that the DISO Mark was used on any other goods it attempted to maintain in the Section 8 Declaration filed on November 14, 2021 as well as its first post-registration response filed on December 16, 2021.

*Id.* at 14.<sup>20</sup>

Petitioner further argues that

[a]gain, WANG stated without any specifics about Registrant's post-registration activities: "On November 14, 2021, we filed Section 8 and the notice of Acceptance Undersection 8 was issued by USPTO on October 11, 2022." . . . While according to WANG, Exhibit 2 of WANG Declaration includes Registrant's sales records at amazon.com showing Registrant continued to use the DISO Mark from registration to current time, the products shown in this Exhibit are only earphones/headphones, with the sole exception of the MP3 player (see page 17 of Exhibit 2) which was used as a specimen in the last post-registration response filed on the DISO Registration. Thus, the statements in the Section 8 Declaration of Use filed on November 14, 2021 and the first post-registration response filed on December 16, 2021 by Registrant were clearly false.

*Id.* at 19.

On the issue of deceptive intent, Petitioner quotes portions of the *Chutter* decision,

*id.* at 16-17, and argues that

[t]he facts of the case at hand are quite similar to the facts of the *Chutter* case. Here, after Petitioner filed the cancellation petition on August 30, 2021, which alleged that Registrant had committed fraud in procuring the DISO Mark, Registrant was put on notice that the DISO Mark may have deficiencies in its declared use. Registrant's attorney later served documents to Petitioner during discovery, essentially admitting that the only evidence Registrant had for the use of the DISO Mark was on certain earbuds (or headphone) products, and nothing else. However, Registrant did not seek to amend its registration certificate for the DISO Mark to delete the goods upon which it has failed to use the DISO Mark, but

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<sup>20</sup> Respondent's specimen of use was a page from amazon.com showing Respondent's DISO earbuds. May 14, 2021 Statement of Use at TSDR 2. Petitioner does not challenge the bona fides of the specimen.

submitted its Section 8 Declaration of Use on November 14, 2021 claiming that it had used the DISO Mark for all the goods shown in the original registration certificate. Even after receiving the First post registration Office Action of November 28, 2021, in its Response (dated December 16, 2021) to the First Office Action, Registrant only deleted some of the goods, but maintained many other goods for which Registrant clearly had no proof of use.

*Id.* at 17-18.

Petitioner further argues that “[e]ventually, after [Post-Registration] further required proof of use, Registrant deleted all other goods other than ‘Earphones and headphones; Portable media players, namely, MP3 players,’” *id.* at 18, and that Respondent’s “blatant behavior is itself evidence of intentional conduct.” *Id.* (citations omitted).

Petitioner concludes that

[g]iven that in the entire trial records, the evidence of use of the DISO Mark by the Registrant is so scant and limited to a few goods while numerous other goods contained in the original DISO Registration simply have no evidence of use, and given the abundance of indication that Registrant or [Ms. Jiang] recklessly disregarded the truth of their sworn declarations, the only inescapable conclusion is that Registrant committed fraud in procuring and maintaining its DISO Mark.

*Id.* at 21.

### **C. Analysis**

The two issues on Petitioner’s fraud claim are (1) whether Respondent was using the DISO mark in connection with all of the goods identified in the ’108 Application when Respondent filed its Statement of Use and all of the goods identified in the ’173 Registration when Respondent filed its Section 8 Declaration, and (2) if the mark was

not in use with all of the goods when Respondent made such statements to the USPTO to procure or maintain the '173 Registration, whether Respondent made those false statements with deceptive intent, potentially in the form of reckless disregard for their truth or falsity.

As discussed above, Petitioner “bears a heavy burden of proof [of fraud] ‘to the hilt’ with clear and convincing evidence,” leaving “no room for speculation, inference or surmise.” *Bose*, 580 F.3d at 1243 (quotation omitted). To carry that heavy burden, Petitioner made of record under its Notice of Reliance in its case-in-chief an extra copy of the file history of the '173 Registration, 21 TTABVUE 111-247, and what Petitioner described as “[c]opies of the entirety of documents produced from Registrant in its Initial Disclosure by Ms. Jiang, Registrant’s counsel of record.” *Id.* at 3, 248-313.<sup>21</sup> The record as a whole also includes the file history of the '173 Registration, the Wang Declaration and exhibits thereto, and what Respondent described in its Notice of Reliance as “Documents Relating to Registrant’s Initial and Continual Use of U.S. Trademark Registration No. 5060173.” 24 TTABVUE 2.

We turn first to the issue of whether the DISO mark was not in use in connection with all of the goods identified in the Notice of Allowance when Respondent’s

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<sup>21</sup> Trademark Rule 2.120(k)(3)(iii) “provides that ‘[a] party that has obtained documents from another party through disclosure or under Rule 34 of the Federal Rules of Civil Procedure may not make the documents of record by notice of reliance alone, except to the extent that they are admissible by notice of reliance under the provisions of § 2.122(e) [regarding printed publications, official records and internet materials], or the party has obtained an admission or stipulation from the producing party that authenticates the documents.’” *Flame & Wax*, 2022 WL 2083070, at \*6 (quoting 37 C.F.R. § 2.120(k)(3)(iii)). But an objection on this basis must be made promptly after the filing of the notice of reliance, *id.*, and Respondent asserted no such objection, thus waiving it. *Id.* We will consider Exhibit C to Petitioner’s Notice of Reliance for whatever probative value it may have on the issue of fraud.

Statement of Use was filed, and was not in use in connection with all of the goods identified in the '173 Registration when Respondent's Section 8 Declaration was filed.

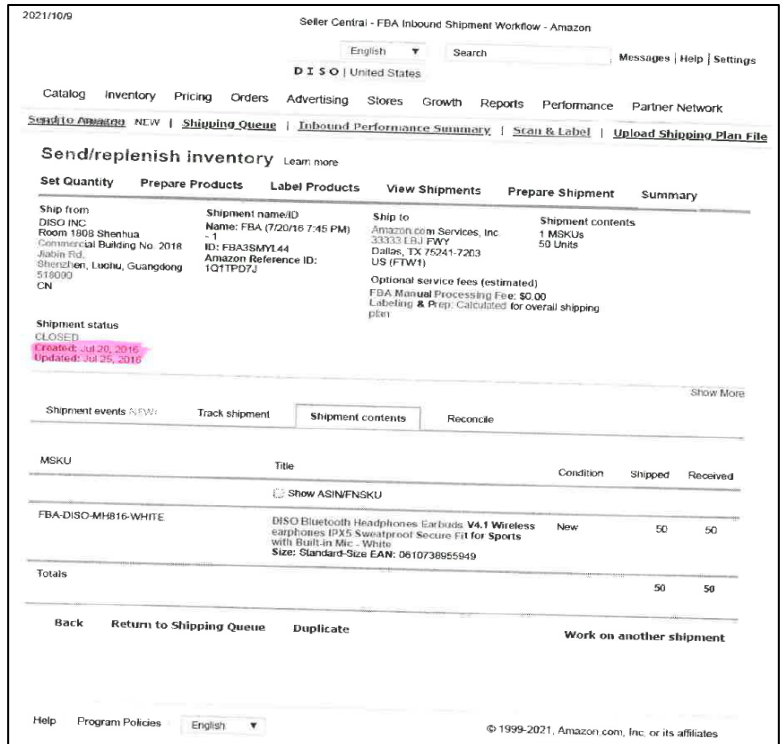
We begin with the Wang Declaration.<sup>22</sup> CEO Wang testified that after Respondent received a Notice of Allowance of its intent-to-use application, Respondent "asked for extension to file Statement of Use on February 1, 2016 because we were about to place the goods into international commerce but were not quite ready." Wang Decl. ¶ 3 (24 TTABVUE 101). CEO Wang testified that "[w]e placed the goods with trademark 'DISO' on market in May of 2016" and that "[i]t was first sold in the store and in July 2016, we offered to sale on [www.amazon.com](http://www.amazon.com)" before filing the Statement of Use with the USPTO on August 3, 2016. Wang Decl. ¶ 3 (24 TTABVUE 101).

CEO Wang authenticated a shipment invoice from Respondent to [amazon.com](http://amazon.com), Wang Decl. ¶ 3; Ex. 1 (24 TTABVUE 101, 103-04), which we reproduce below:

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<sup>22</sup> As noted above, the Board's order denying summary judgment stated that "[t]his proceeding will continue only on the grounds of abandonment as to 'earphones and headphones; portable media players, namely, MP3 players,'" 20 TTABVUE 4, and it appears that Respondent's evidence, including the Wang Declaration, is directed primarily to that claim, which Petitioner did not pursue at trial. Respondent attached as Exhibit B to its Notice of Reliance what it described as "Documents Relating to Registrant's Initial and Continual Use of U.S. Trademark Registration No. 5060173," 24 TTABVUE 2, which Respondent stated "supports the claim that Registrant has been used [sic] DISO in Class 9 since its first Use of 5-23-2016 till current dates." *Id.* at 3. Exhibit B shows only earbuds and headphones bearing the DISO mark.





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There is no testimony in the Wang Declaration that the “goods” referenced in several places in paragraph 3 included all of the goods identified in the ’108 Application when the Statement of Use was filed.<sup>24</sup> There is also no display in Exhibits 1 and 2 to the Wang Declaration of all of the goods identified in the ’108 Application. The most reasonable inference to be drawn from the absence of any testimony from CEO Wang or documentary evidence contradicting Petitioner’s claim that the DISO mark was not used on all of the goods identified in the ’108 Application

<sup>23</sup> Petitioner does not challenge the bona fides of this invoice or the other evidence of use of the DISO mark.

<sup>24</sup> Exhibit 2 to the Wang Declaration is Respondent’s “sales records at www.amazon.com, showing that Registrant has continued to use the trademark DISO from the time of registration to current time.” Wang Decl. ¶ 5; Ex. 2 (24 TTABVUE 102, 105-67). CEO Wang again does not testify about “use [of] the trademark DISO from the time of registration to current time” in connection with all of the goods identified in the ’173 Registration, and Exhibit 2 shows only DISO headphones, earbuds, and MP3 players.

when Respondent's Statement of Use was filed is that the claim is true. We find that Respondent was not using the DISO mark on all of the goods identified in the '108 Application when Respondent's Statement of Use was filed.

With respect to use of the DISO mark following the issuance of the '173 Registration, CEO Wang states that "[o]n November 14, 2021, we filed Section 8 and the Notice of Acceptance Undersection [sic] 8 was issued by USPTO on October 11, 2022," Wang Decl. ¶ 3 (24 TTABVUE 101), and that "Registrant has continued to use the trademark DISO from the time of registration to current time." Wang Decl. ¶ 4 (24 TTABVUE 102). There is again no testimony in the Wang Declaration or documentary evidence in Exhibit 2 thereto that the DISO mark was in use in connection with all of the goods identified in the '173 Registration when the Section 8 Declaration was filed.<sup>25</sup>

Moreover, as discussed above, Respondent's Section 8 Declaration was audited by Post-Registration with respect to two goods identified in the '173 Registration. Respondent deleted those goods and a few others in response to the first Office Action, which had given Respondent the option of proving use of the DISO mark with the audited goods or "[d]elet[ing] [the] audited (and all other) goods . . . for which proof of

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<sup>25</sup> The '108 Application was filed and prosecuted by CEO Wang pro se through the issuance of the '173 Registration. Petitioner's original Petition for Cancellation was served on Respondent in China, and Respondent was initially represented in this proceeding by attorney Paul G. Johnson, who filed Respondent's Answer to the original Petition for Cancellation on October 8, 2021. 4 TTABVUE. On November 14, 2021, attorney Helen B. Jiang was substituted for Mr. Johnson as Respondent's counsel on the '173 Registration when Ms. Jiang filed Respondent's Section 8 Declaration. November 14, 2021 Section 8 Declaration at TSDR 1. On December 6, 2021, Ms. Jiang replaced Mr. Johnson as Respondent's counsel in this proceeding. 9 TTABVUE.

use of the registered mark cannot be provided and/or for which use cannot be confirmed . . . .”<sup>26</sup> Post-Registration’s second Office Action acknowledged the deletion of goods, but stated that proof of use was not of record for all but two goods in the audited class.<sup>27</sup> The second Office Action again gave Respondent the option of proving use as to that list of remaining goods or “[d]elet[ing] any goods . . . without proof of use of record and/or for which use cannot be confirmed . . . .”<sup>28</sup> Respondent then proved use as to MP3 players only, and deleted all goods identified in the ’173 Registration other than “earphones, “headphones,” and “portable media players, namely, MP3 players,”<sup>29</sup> and Post-Registration accepted Respondent’s Section 8 Declaration as to those goods.

Against the backdrop of our finding above that the DISO mark was not in use in connection with all of the goods identified in the ’108 Application when Respondent’s Statement of Use was filed, CEO Wang’s silence about the specific goods with which the DISO mark was in use when Respondent’s Section 8 Declaration was filed, the absence of documentary evidence of use, and Respondent’s response to the Post-Registration audit collectively allow us to reasonably infer that the DISO mark was not in use in connection with all of the goods identified in the ’173 Registration when Respondent’s Section 8 Declaration was filed.

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<sup>26</sup> November 28, 2021 Office Action at TSDR 1.

<sup>27</sup> December 22, 2021 Office Action at TSDR 1.

<sup>28</sup> *Id.*

<sup>29</sup> October 22, 2022 Response to Office Action at TSDR 1.

We turn now to the critical issue of whether Respondent's statements to the USPTO regarding the use of its mark were fraudulent, "involving an intent to deceive," rather than simply false, possibly "occasioned by a misunderstanding, an inadvertence, a mere negligent omission, or the like." *Bose*, 580 F.3d at 1243 (quotation omitted). Conspicuously absent from Petitioner's case-in-chief on this issue is any discovery deposition or cross-examination testimony of CEO Wang, Respondent's declarant on its Statement of Use, or any discovery deposition of Ms. Jiang, Respondent's declarant on its Section 8 Declaration.

We are unaware of any precedential decision post-*Bose* in which the Board found fraudulent intent in the absence of testimony from the relevant declarant as to his or her state of mind when making false statements to the USPTO. As discussed above, the proof of reckless disregard in *Chutter* relied heavily on the discovery deposition testimony of the declarant as to the declarant's understanding of the relevant facts and his conduct when the Section 15 Declaration was filed.<sup>30</sup> In *Nationstar Mortg.*, in which "the essence of opposer's fraud claim [was] that applicant filed an application under Section 1(a) claiming use of NATIONSTAR in commerce in connection with all of the identified services when he knew he had not used the mark in commerce for any of those services at the time of filing," *Nationstar Mortg.*, 2014 WL 6480655, at \*4, subjective intent to deceive the USPTO about the applicant's use of his mark was

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<sup>30</sup> The Board listed multiple relevant facts that were "not in dispute," *Chutter*, 2021 WL 4494251, at \*7-8, and many of them were established by the declarant's deposition testimony.

found based primarily on the “manifest lack of credibility of applicant’s [deposition] testimony.” *Id.* at \*12.

In the absence of deposition or cross-examination testimony here, Petitioner asks us to infer the state of mind of both of Respondent’s declarants based on documents disclosed by Respondent and attached to the Wang Declaration, the contents of the Wang Declaration, which Petitioner acknowledges basically recounted “the prosecution and maintenance history of the DISO Registration,” 26 TTABVUE 19, the circumstances surrounding the filing of Respondent’s Statement of Use and Section 8 Declaration, and Respondent’s response to the Post-Registration audit of its Statement of Use, as reflected in the file history of the ’173 Registration. Although “deceptive intent may be inferred from the surrounding facts and circumstances,” *id.* at \*13, “such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.” *Bose*, 580 F.3d at 1245 (quotation omitted). It is self-evident that it is much easier to infer what is in a person’s mind when there is relevant deposition testimony that explores the person’s state of mind.

With respect to the procurement of the ’173 Registration, Petitioner must show by clear and convincing evidence that CEO Wang subjectively intended to deceive the USPTO through the filing of a false Statement of Use or, at a minimum, acted with reckless disregard for the truth of the statements made in the Statement of Use. As discussed above, in *Chutter*, the Board found reckless disregard where the respondent’s attorney admitted that he knew that his client’s registered mark was

the subject of two proceedings, but nevertheless prepared and filed a Combined Section 8 and 15 Declaration in which his client falsely stated that there were no such unresolved proceedings. The respondent's attorney also admitted that he did not know the legal requirements for a Section 15 Declaration and had not read the Combined Declaration "carefully enough to see that the statement is in [t]here incorrectly," and that it was also "in the filing and supporting declaration." *Chutter*, 2021 WL 4494251, at \*8.

The record here shows that CEO Wang, who signed and filed Respondent's Statement of Use pro se, resides in the People's Republic of China and is not an attorney. There is no evidence regarding CEO Wang's knowledge of the requirements of U.S. trademark law or any pre-filing review of the Statement of Use. While "[a] declarant is charged with knowing what is in the declaration being signed, and by failing to make an appropriate inquiry into the accuracy of the statements the declarant acts with a reckless disregard for the truth," *id.* at \*9, in the absence of any testimony regarding the circumstances of the preparation and filing of Respondent's Statement of Use, we cannot find that the only permissible inference from the other evidence is that CEO Wang acted with "reckless disregard for the truth" of the statements in the Statement of Use simply because they were false. To do so would be to ignore the "material legal distinction between a 'false' representation and a 'fraudulent' one," *Bose*, 580 F.3d at 1243, and the Federal Circuit's instruction that circumstantial evidence of fraudulent intent "must still be clear and convincing, and

inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.” *Bose*, 580 F.3d at 1245 (quotation omitted).

With respect to the maintenance of the '173 Registration, Ms. Jiang, Respondent's declarant on its Section 8 Declaration, is a United States attorney, and it is appropriate to hold her to a commensurate understanding of U.S. trademark law and the requirements of a Section 8 Declaration.<sup>31</sup> The problem for Petitioner is that it must prove, by clear and convincing evidence, her awareness of the facts of Respondent's use of its DISO mark when she executed and filed Respondent's Section 8 Declaration.

As noted above, Petitioner argues that we must infer Ms. Jiang's subjective deceptive intent, or at least her reckless disregard, from the facts that

after Petitioner filed the cancellation petition on August 30, 2021, which alleged that Registrant had committed fraud in procuring the DISO Mark, Registrant was put on notice that the DISO Mark may have deficiencies in its declared use. Registrant's attorney later served documents to Petitioner during discovery, essentially admitting that the only evidence Registrant had for the use of the DISO Mark was on certain earbuds (or headphone) products, and nothing else. However, Registrant did not seek to amend its registration certificate for the DISO Mark to delete the goods upon which it has failed to use the DISO Mark, but submitted its Section 8 Declaration of Use on November 14, 2021 claiming that it had used the DISO Mark for all the goods shown in the original registration certificate. Even after receiving the First post registration Office Action of November 28, 2021, in its Response (dated December 16, 2021) to the First Office Action, Registrant only deleted

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<sup>31</sup> The Board's decision in *Chutter* suggests sensibly that ignorance of the law is not an excuse for someone who is trained in it.

some of the goods, but maintained many other goods for which Registrant clearly had no proof of use.

26 TTABVUE 17-18.

There is no testimony regarding the circumstances of Ms. Jiang's preparation and execution of the Section 8 Declaration, and its filing on November 14, 2021. As noted above, Ms. Jiang was not Respondent's counsel when this proceeding was filed and she did not become Respondent's "attorney [who] served documents to Petitioner during discovery," *id.* at 17, until about three weeks after the Section 8 Declaration was filed. We know nothing about her awareness of this proceeding when the Section 8 Declaration was filed, something that could have been determined easily through a deposition. We also know nothing about her understanding of the extent of Respondent's use of the DISO mark when the Section 8 Declaration was filed, something else that could have been determined easily through a deposition. Given that Ms. Jiang apparently first became Respondent's counsel in connection with the Section 8 Declaration, in the absence of contrary evidence, it is at least plausible that she was advised by her apparently new client and honestly believed that Respondent was using the DISO mark on all of the goods identified in the '173 Declaration when she prepared, signed, and filed the Section 8 Declaration. We find this scenario as plausible as that she knew that the mark was not in use on all of the goods or recklessly disregarded whether it was. We cannot find, based on the circumstances advanced by Petitioner, that the only permissible inference from the record evidence is that Ms. Jiang subjectively intended to deceive the USPTO or acted in reckless disregard of the truth of the statements in the Section 8 Declaration. *See TV Azteca,*



*S.A.B. de C.V. v. Martin*, 2018 WL 6504575, at \*6 (TTAB 2018) (“inferences must be based on proven foundational facts”). Her subsequent acts as Respondent’s counsel in this proceeding and in connection with the Post-Registration audit of the Section 8 Declaration are insufficient to prove her subjective intent to deceive, or her reckless disregard, at the time of filing by clear and convincing evidence.<sup>32</sup>

Petitioner could have deposed CEO Wang and Ms. Jiang to develop direct evidence or better circumstantial evidence regarding the declarants’ respective understanding of the use of the DISO mark, the false statements in the Statement of Use and Section 8 Declaration, and other matters relevant to the declarants’ states of mind, but did not do so. The possible fruits of such discovery are “not a subject on which we can, should or do speculate. Rather, we must take the record as [Petitioner] made it.” *T.A.B. Sys. v. Pactel Teletrac*, 77 F.3d 1372, 1378 (Fed. Cir. 1996). On the record as Petitioner made it, Petitioner has failed to carry its heavy burden of showing by clear and convincing evidence that CEO Wang or attorney Jiang intentionally deceived the USPTO, or acted with reckless disregard of the truth, in connection with the preparation and filing of Respondent’s inaccurate Statement of Use and inaccurate Section 8 Declaration. Because Petitioner failed to show this “indispensable element

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<sup>32</sup> We note in that regard that Ms. Jiang represented to the Board that in response to Post-Registration’s audit, Respondent “deleted the goods that had been discontinued in use by Respondent’s business decision, and kept the goods ‘**earphone and headphones, portable, media players, namely MP3 players**’ and provided verified specimen to show continuing use in the remaining goods in the same class.” 19 TTABVUE 2 (emphasis in bold here in italics in the original). She further represented that those goods were “discontinued because of Respondent’s business decision.” *Id.* at 3.

in the analysis” of its fraud claim, *Bose*, 580 F.3d at 1245, Petitioner’s fraud claim must be dismissed.

**Decision:** The Amended Petition for Cancellation is denied as to the goods “Earphones and headphones” and “Portable media players, namely, MP3 players” remaining in the ’173 Registration following the Board’s earlier entry of judgment against the other goods in the ’173 Registration at the commencement of this proceeding.