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

Proceeding no.	92078340
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Attachments	Reply Brief ISO Motion to Dismiss FESTIVAL OF SPEED.PDF(33983 bytes)

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

FESTIVALS OF SPEED, LLC,

Petitioner,

-against-

THE GOODWOOD ESTATE COMPANY LIMITED,

Registrant.

Cancellation No. 92078340

**REPLY BRIEF IN SUPPORT OF REGISTRANT’S MOTION TO DISMISS THE FIRST
AMENDED PETITION FOR CANCELLATION OF REGISTERED TRADEMARKS**

Goodwood¹ submits this reply brief in further support of its Motion to Dismiss the First Amended Petition for Cancellation of Registered Trademarks (11 TTABVUE).

ARGUMENT

In accordance with TBMP § 502.02(b), Goodwood seeks to address here only those points in Petitioner’s opposition brief that constitute admissions, that raise issues not fully addressed by Goodwood’s moving brief, or that otherwise call for explication.

**I. Petitioner’s Opposition Brief Confirms its Admission that
Goodwood Has a *Bona Fide* Intent-to-Use the Registered Marks**

Petitioner dedicates a substantial portion of its opposition brief to its argument that “Goodwood had no bona fide intention of using” either Goodwood’s Word Mark or Goodwood’s Logo Mark. (15 TTABVUE 8-13.)² However, Petitioner fails to rebut the showing that its

¹ Capitalized terms not defined here have the meanings set forth in Registrant’s Motion to Dismiss the First Amended Petition for Cancellation of Registered Trademarks (11 TTABVUE).

² The difficulty of linking these arguments to particular numbered claims in the Amended Petition is symptomatic of Petitioner’s failure to file a “short and plain statement” of the grounds for its claims. Fed. R. Civ. P. 8(a)(1).

allegations are either (1) conclusory and not entitled to a presumption of truth or (2) implausible and directly contradicted by the remaining allegations in the Amended Petition.

On the first point, Petitioner’s opposition brief (like its Amended Petition), relies on *pro forma* allegations without any specific context or supporting facts averred. (See 9 TTABVUE 18, 22, 25-27, 30-34; 15 TTABVUE 8-13.) To the extent the Board, nonetheless, finds that the lack of *bona fide* intent-to-use allegations are sufficiently well-pleaded and entitled to a presumption of truth for purposes of a Rule 12(b) motion to dismiss, the Board should afford this same presumption of truth to the remaining allegations in the Amended Petition—including those allegations that directly contradict Petitioner’s lack a *bona fide* intent-to-use allegations. These contradictory allegations include the following: “Goodwood has begun enforcement of both Goodwood’s Registrations as to third parties” (9 TTABVUE 18); “Goodwood intends to enforce the registered trademarks” (*id.*); and “Goodwood’s intent is to engage in activity with Goodwood’s Second Registration, ‘Festival of Speed’ for goods and services that are, in reality, defined within Class 41” (*id.* at 20).

Petitioner’s argument that Goodwood’s registrations will become incontestable only underscores the implausibility of Petitioner’s lack of *bona fide* intent-to-use argument. In its opposition brief, Petitioner doubles down on the allegation in the Amended Petition that “Goodwood intends to enforce the registered trademarks as incontestable marks.” (9 TTABVUE 18.) Petitioner sums up its theory by asserting that “Goodwood conceived and implemented a plan . . . to ultimately wait five years to gain incontestability and then compete head-to-head with Petitioner in the United States.” (15 TTABVUE 26.)

Under the Lanham Act, a trademark may only become incontestable after it has “been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce.” 15 U.S.C. § 1065 (emphases added). Thus, Petitioner’s allegation that

Goodwood intends to enforce its trademarks as incontestable marks presumes—and indeed admits—that Goodwood intends to use such marks in United States commerce. Likewise, the assertion that Goodwood intends to “compete head-to-head with Petitioner in the United States” is a fatal admission that there is intended use.

II. Petitioner’s First and Second Causes of Action Should Be Dismissed

In support of Counts One and Two in the Amended Petition—each of which asserts a variety of claims against the U.S. Word Mark Registration and the U.S. Logo Mark Registration, respectively—Petitioner asserts numerous arguments in its opposition brief. For the following reasons, Petitioner’s arguments all are unavailing.

A. Misclassified Goods/Services Is Not Grounds for Cancellation

Petitioner asserts that “Goodwood misstates TMEP § 1402.01(c) providing that examining attorneys must accept the identification of goods” and argues that this fact “does not mean that extension for protection must be granted.” (15 TTABVUE 16.) While the examining attorney may refuse to extend protection to an International Registration under various circumstances, it is improper to refuse to extend protection on grounds of misclassified goods. See TMEP § 1402.01(c). Petitioner cites no authority to the contrary, and its citation to TMEP § 1904.07 is inapposite because it addresses “invalidation of protection in the United States” generally but does not concern specific grounds for full or partial cancellation.

In fact, once an extension of protection has been granted, Petitioner admits that “the cancellation procedures . . . that result in an invalidation of a registered extension of protection are governed by the substantive and procedural laws of the United States, and are the same for national marks registered by the USPTO.” (15 TTABVUE 16 (citing TMEP § 1904.07).) Since the substantive and procedural laws of the United States do not permit cancellation of a nationally registered mark on grounds of misclassified goods, Petitioner’s argument that

“[m]isclassified goods and services may be cancelled” is incorrect. *See, e.g., 21st Century Brands LLC v. LXR Biotech, LLC*, Opp. No. 91205970, 2013 WL 11247296, at *5 (T.T.A.B. Aug. 12, 2013) (striking counterclaim for cancellation based on alleged misclassification of goods). Petitioner cites no authority to the contrary.³ Accordingly, Counts One and Two should be dismissed to the extent they assert claims for cancellation on grounds of misclassified goods.

B. Petitioner Cannot Cure the Deficiencies in its Fraud Claim

In its opposition brief, Petitioner captions the heading for the arguments relating to its inflammatory and legally untenable fraud claim as follows: “Fraud is Pled with Specificity.” (15 TTABVUE 18.) The heading, along with the arguments thereunder, demonstrate that Petitioner fails to grasp the legal shortcomings of its fraud claim—including that Petitioner has failed to plead the essential element of intent to deceive.

In an attempt to argue that it has in fact pleaded intent to deceive, Petitioner asserts that Goodwood has “disregard[ed] Petitioner’s allegations in Paragraph 9 . . . that Goodwood made representations ‘with actual knowledge’ that Goodwood’s registrations would cause confusion, mistake, or to deceive, because the registration was confusingly similar to Petitioner’s.” (15 TTABVUE 18.) Petitioner’s argument fails for at least two reasons.

First, Petitioner’s allegation that Goodwood made certain representations “with actual knowledge” does not satisfy the pleading requirement for the “intent to deceive” prong of a fraud claim. Under the Board’s jurisprudence, “actual knowledge” and “intent to deceive” are distinct elements. *See, e.g., Basic Sports Apparel, Inc. v. Spiral Direct Ltd.*, Opp. No. 91242798, 2019 WL 1306914, at *5 (T.T.A.B. Mar. 20, 2019) (“Fraud in procuring or maintaining a trademark registration occurs when an applicant [1] knowingly makes a [2] specific false, [3] material representation of fact in connection with an application or registration [4] with the intent of

³ As noted in Goodwood’s moving brief, the argument that the goods are misclassified is incorrect in any event. (*See* 11 TTABVUE 8.)

obtaining or maintaining a registration to which it is otherwise not entitled” (emphases added)).

Because “knowledge” and “intent to deceive” are separate prongs that are both essential for a *prima facie* fraud claim, the above-mentioned allegation at most satisfies only the first prong of the four-part test for fraud. The fourth prong, which requires factual allegations evincing an “intent to deceive,” remains wholly unpleaded by Petitioner.

Second, to the extent Petitioner’s fraud claim is based on allegations that Goodwood had “actual knowledge” that its trademarks were likely to cause confusion with Petitioner’s FESTIVALS OF SPEED registration but made representations to the USPTO to the contrary, such allegations cannot form the basis for a cognizable fraud claim as a matter of law. *See, e.g., Golovchenko v. Mar. Eleven LLC*, Opp. No. 91235579, 2018 WL 1304566, at *4 (T.T.A.B. Mar. 8, 2018) (“To the extent that Opposer intends to assert a separate allegation of fraud based on an alleged false statement in the oath of the application that no other person, firm, corporation, or association had the right to use the applied for mark, the Board finds the allegation insufficient to support a fraud claim.”); *MedBox, LLC v. PVM Int’l, Inc.*, Opp. No. 91199915, 2013 WL 5820846, at *11 (T.T.A.B. Oct. 10, 2013) (“[T]o the extent that the fraud claim is based on the allegation that applicant and/or Mr. Mehdizadeh knew about opposer or opposer’s use of MEDBOX prior to filing the involved application, that is not enough to establish fraud.”). Accordingly, Counts One and Two should be dismissed to the extent they purport to assert claims for fraud.

C. Petitioner’s Claim Under 15 U.S.C. § 1064(6) Fails as a Matter of Law

Goodwood pointed out in its moving brief that the Amended Petition reflects no effort to investigate or obtain facts to support its legally insufficient “threadbare” allegation of non-use under the new Lanham Act provision, 15 U.S.C. § 1064(6). Petitioner now argues that its Amended Petition “asserts that Goodwood has never used and has abandoned the use” of

Goodwood's Word Mark. (15 TTABVUE 19, underlining removed.) Petitioner argues that to label as "threadbare" this allegation of non-use "disregards the definition of the word, 'never'":

This is not a "threadbare" allegation, but instead, is a very emphatic statement of exclusionary fact that is accepted as true at this pleading stage. Never means never. Goodwood never used the Goodwood Festival of Speed mark for three years.

(15 TTABVUE 19.) But "never" is the very word used in the new statutory provision, which provides a ground for possible cancellation only with respect to marks that have "never been used in commerce on or in connection with some or all of the goods or services recited in the registration." 15 U.S.C. § 1064(6). Petitioner's argument that "never means never" is as conclusory and unilluminating as the allegation of non-use in its Amended Petition.⁴

D. Petitioner's Abandonment Claim Should Be Dismissed

Petitioner fails to rebut any of Goodwood's arguments regarding Petitioner's claim for abandonment. (15 TTABVUE 20.) In its opposition brief, Petitioner does not cite to any factual statements in the Amended Petition that would support its otherwise conclusory allegations relating to abandonment. Moreover, as discussed above (*see supra* at Section I), the Amended Petitioner's own allegations directly contradict any claim of lack of intent to use/resume use.

Because Petitioner has failed to substantively respond to Goodwood's arguments (*see* 11 TTABVUE 13-15), Petitioner has effectively conceded these arguments. Accordingly, Counts One and Two should be dismissed to the extent they purport to assert claims for abandonment.

⁴ Petitioner also ignores that, as noted in Goodwood's moving brief, the new provision prohibits cancellation where there are "special circumstances that excuse such nonuse." 15 U.S.C. § 1064. This means "a temporary non-use that is beyond the control of the registrant or is forced by outside causes." 3 J. Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 19:136 (5th ed. 2022). Although not necessary in order to dismiss the claim, the Board may take judicial notice of the COVID-19 pandemic and find that it constitutes "special circumstances" excusing as matter of law any alleged non-use of Goodwood's Word Mark in connection with a logistically complex auto event and related activities. This finding would be especially warranted given that the U.S. Word Mark Registration at issue had been registered for only for one-and-a-half years when the pandemic struck the United States in early 2020.

III. Petitioner Cannot Cure the Untenable Fraud Claims in its Third Cause of Action

Applicant summarizes the essence of Count Three in its opposition brief, stating that “[h]ere, Goodwood filed applications for U.K. trademarks that Goodwood knew were false, and then made false statements of act to the USPTO to gain the registrations that Petitioner seeks to cancel.” (15 TTABVUE 23; emphasis added.) To the extent Count Three asserts a fraud claim based on allegedly false statements made in procuring the U.K. registrations, the claim should be dismissed as a matter of law since the Board cannot adjudicate the legitimacy of a foreign registration. *See Johnson & Johnson v. Salve S.A.*, 183 U.S.P.Q. 375, 377 (T.T.A.B. 1974). To the extent Count Three is based on allegedly false statements made in procuring the U.S. registrations, it should be dismissed as duplicative of the fraud claims in Counts One and Two.

IV. Dismissal of the Amended Petition Should Be With Prejudice

Petitioner has had two opportunities to file a legally sufficient pleading but failed to do so. Goodwood’s motion to dismiss the initial Petition explained each of the deficiencies in Petitioner’s claims, yet Petitioner did not—and, in most cases could not—cure the deficiencies.

Indeed, the Amended Petition suffers from the same incomprehensible structure, ill-pleaded claims, and conclusory allegations as the original pleading. In its own opposition brief, Petitioner cites Supreme Court precedent holding that “repeated failure to cure deficiencies by amendments previously allowed” and “futility” are both bases for denying leave to amend. *See Foman v. Davis*, 371 U.S. 178, 182 (1962); *see also Connor Sport Ct. Int’l, LLC v. Sanchez*, Opp. No. 91244506, 2020 WL 583777, at *5 (T.T.A.B. Feb. 4, 2020) (denying leave to amend where the “Board previously allowed Opposer an opportunity to amend its pleading” and “allowing further leave to amend would serve no useful purpose in view of the nature of the deficiencies”); *McDonnell Douglas Corp. v. Nat’l Data Corp.*, 228 U.S.P.Q. 45, 48 (T.T.A.B.

1985) (denying leave to amend where plaintiff already had been allowed two opportunities to perfect its pleading).

Because Petitioner has had two opportunities to file a legally sufficient pleading and has repeatedly failed to rectify the fundamental deficiencies in the Amended Petition, the Board should deny Petitioner's request for leave to further amend its pleading.

CONCLUSION

In light of the foregoing and for the reasons stated in its Motion to Dismiss the First Amended Petition for Cancellation of Registered Trademarks (*see generally* 11 TTABVue), Goodwood respectfully requests that the Board dismiss with prejudice Counts One, Two, and Three of the Amended Petition, and the claim in Count Four with respect to Goodwood's U.S. Word Mark Registration.

Dated: New York, New York
April 11, 2022

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CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of April 2022, a copy of the foregoing **REPLY BRIEF IN SUPPORT OF REGISTRANT'S MOTION TO DISMISS THE FIRST AMENDED PETITION FOR CANCELLATION OF REGISTERED TRADEMARKS** was sent by e-mail to Petitioner's counsel of record at *don@lawus.com* and *donschutz@netscape.net*.



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