UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500
General Email: TTABInfo@uspto.gov

TAB

February 19, 2025

Cancellation Nos. 92084589 (parent)
92084591

Gibson, Inc.

v.

Concordia Investment Partners, LLC

By the Trademark Trial and Appeal Board:

This case is now before the Board on Petitioner's motions to dismiss Respondent's counterclaims for failure to state a claim upon which relief may be granted. 18 TTABVUE[1] & 17 TTABVUE.[2] The motions are fully briefed.[3]

I. Consolidation

Before addressing Petitioner's motions, the Board will consider the issue of consolidating the proceedings since the same parties are involved in both of the above-captioned proceedings, which involve the same and similar marks covering identical goods, and common questions of law and fact. When cases involving common

[1] Can. No. 92084589.
[2] Can. No. 92084591.
[3] The Board has considered the parties' arguments and presumes the parties' familiarity with the factual bases for their filings, and does not recount the facts or arguments here, except as necessary to explain the decision. *See Guess? IP Holder LP v. Knowluxe LLC*, 116 USPQ2d 2018, 2019-20 (TTAB 2015).

questions of law or fact are pending before the Board, the Board may consolidate them. *See* Fed. R. Civ. P. 42(a); *Wis. Cheese Grp., LLC v. Comercializadora de Lacteos y Derivados S.A. de C.V.*, 118 USPQ2d 1262, 1264 (TTAB 2016); *M.C.I. Foods Inc. v. Bunte,* 86 USPQ2d 1044, 1046 (TTAB 2008).

Consolidation is discretionary with the Board, and may be ordered upon motion or stipulation granted by the Board, or upon the Board's own initiative. *See* Fed. R. Civ. P. 42(a); *Regatta Sport Ltd. v. Telux-Pioneer Inc.*, 20 USPQ2d 1154 (TTAB 1991) (Board's initiative); TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 511 (2024). Inasmuch as the parties to Cancellation Nos. 92084589 and 92084591 are identical and the proceedings involve common questions of law and fact, the Board finds that consolidating the proceedings is appropriate. Consolidation will avoid duplication of effort concerning the factual issues and will thereby avoid unnecessary costs and delays.

Accordingly, the above-captioned proceedings are consolidated and may be presented on the same record and briefs. *See Hilson Research Inc. v. Society for Human Res. Mgmt.*, 26 USPQ2d 1423, 1424 n.1 (TTAB 1993); *Helene Curtis Indus. Inc. v. Suave Shoe Corp.*, 13 USPQ2d 1618, 1619 n.1 (TTAB 1989). The record will be maintained in Cancellation No. 92084589 as the "parent" case. The parties should no longer file separate papers in connection with each proceeding, but should instead file only a single copy of each paper in the parent case. Each paper filed should bear the numbers of all consolidated proceedings in ascending order, and the parent case

should be designated as such by following it with: "(parent)," as in the case caption set forth above.

However, inasmuch as these proceedings are being consolidated prior to joinder of the issues in each proceeding, the parties should file a separate amended counterclaim and answers to the amended counterclaims in each cancellation before commencing the practice of filing a single copy of all submissions in the parent case. Each answer must be filed through ESTTA, the Board's Electronic System for Trademark Trials and Appeals. *See* Trademark Rules 2.106(b)(1) and 2.114(b)(1).

Despite being consolidated, each proceeding retains its separate character. The decision on the consolidated cases shall take into account any differences in the issues raised by the respective pleadings; a copy of the decision shall be placed in each proceeding file. *See Dating DNA LLC v. Imagini Holdings Ltd.*, 94 USPQ2d 1889, 1893 (TTAB 2010).

Given the consolidation of the proceedings, citations in the remainder of this order refer to the parent case, unless otherwise indicated.

II. Motion to Dismiss

A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the sufficiency of the complaint. *Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *Covidien LP v. Masimo Corp.*, 109 USPQ2d 1696, 1697 (TTAB 2014); *NSM Res. Corp. v. Microsoft Corp.*, 113 USPQ2d 1029, 1032 (TTAB 2014). To withstand a motion to dismiss, a counterclaim-plaintiff need only allege facts that, if proved, would allow

the Board to conclude, or to draw a reasonable inference, that (1) the counterclaim-plaintiff is entitled to bring a statutory cause of action; and (2) a valid ground exists for seeking to cancel the registration. *See, e.g., Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982); *Nike, Inc. v. Palm Beach Crossfit Inc.*, 116 USPQ2d 1025, 1028 (TTAB 2015).

For purposes of determining a motion to dismiss for failure to state a claim, the complaint must be examined in its entirety, construing the allegations liberally, as required by Fed. R. Civ. P. 8(e). *IdeasOne Inc. v. Nationwide Better Health*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007). "Threadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice" and are not accepted as true. *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (citing *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007)). However, all well-pleaded, material allegations in the complaint are accepted as true and are construed in the light most favorable to the plaintiff. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1027 (Fed. Cir. 1999); *Young*, 47 USPQ2d at 1754; *Advanced Cardiovascular Sys.*, 26 USPQ2d at 1041; *Fair Indigo*, 85 USPQ2d at 1538.

A. Entitlement to a Statutory Cause of Action

Respondent's entitlement to a statutory cause of action is inherent in its position as defendant to the initial petition to cancel. *See Great Seats Ltd. v. Great Seats Inc.,*

84 USPQ2d 1235, 1236 n.3 (TTAB 2007) (respondent in a cancellation proceeding has standing by virtue of its ownership of involved registration); *see also* TBMP 313.03.

B. Fraud

Fraud in procuring or maintaining a trademark registration occurs when an applicant or registrant knowingly makes specific, false, material representations of fact in connection with an application or a post-registration filing, with the intent of obtaining or maintaining a registration to which it is otherwise not entitled. *See In re Bose Corp*., 580 F.3d 1240, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009); *Qualcomm Inc. v. FLO Corp*., 93 USPQ2d 1768, 1770 (TTAB 2010).

Respondent's claim of fraud is based on: (1) allegations that Petitioner's statements in prior federal court cases demonstrate that statements made during the application prosecution and registration maintenance were false; and (2) allegations that Petitioner has abandoned the mark and thus statements of use submitted for registration maintenance were false.[4] 16 TTABVUE 27-33. Neither theory of fraud is supported with sufficient facts to meet the standard for fraud. A claim of fraud must set forth all elements of the claim with a heightened degree of particularity in compliance with Fed. R. Civ. P. 9(b). *See Asian and W. Classics B.V. v. Selkow,* 92

[4] To the extent Respondent's theory of fraud is based on abandonment of the mark, Respondent also has a claim for abandonment, and it if were to prevail on the abandonment claim, a much more complicated and difficult to prove fraud claim would be superfluous. Respondent is advised that prevailing on a fraud claim is particularly difficult "because fraud must be proven to the hilt by clear and convincing evidence, leaving nothing to speculation, conjecture, or surmise; any doubt must be resolved against the party making the claim." *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1480 (TTAB 2009)(internal quotations omitted).

USPQ2d 1478, 1478 (TTAB 2009). Indeed, "the pleadings [must] contain explicit rather than implied expressions of the circumstances constituting the fraud." *Id.*

The judicial admissions alone are insufficient to support a claim of fraud and Respondent alleges no other facts to support the assertion that the statement that the mark could act as a source identifier on the Supplemental Register is a false statement.

The theory of fraud based on abandonment of the mark is primarily based on allegations that the specimens of use submitted with maintenance documents do not show adequate use. An allegation that Petitioner's specimen may be insufficient is not a sufficient allegation alone to support the heightened pleading requirement for fraud. *See Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355, (TTAB 1989) ("The law is settled that the insufficiency of the specimens, per se, does not constitute grounds for cancelling a registration."). And Respondent's allegations that the mark is not offered for sale is not supported by any facts.

Respondent's counterclaim for fraud is not plead with sufficient particularity. In view thereof, Respondent's counterclaim for fraud is insufficiently plead and Petitioner's motions to dismiss the counterclaim are **granted**.

C. Genericness

In the context of a product design mark, genericness may be found where the design is so common in the industry that it cannot identify a particular source. *Stuart Spector Designs, Ltd. v. Fender Musical Instruments*, 94 USPQ2d 1549, 1555 (TTAB 2009). "The two-step inquiry used to determine whether word marks are generic is

also relevant to determine whether trade dress is generic: first, determine the genus of the goods or services at issue, and second, determine whether the consuming public primarily regards the matter sought to be registered as a category or type of trade dress for the genus of goods or services." *In re Larian, LLC*, Ser. No. 87522459, 2022 WL 374410, *3 (TTAB 2022).

Respondent alleges:

- [Petitioner] made judicial admissions in 2005, which it again confirmed over a decade later, that its guitar headstock and guidat body shape marks do not act as source indicators and therefore cannot act as trademarks.
- Thus, since the [involved] mark does not function as a source indicator, it cannot function as a trademark and is therefore generic.

16 TTABVUE 33, ¶¶ 28-29.

The allegations center around the idea that the involved marks fail to serve as a source identifier.[5] However, the allegations do not recite a claim of genericness because they do not indicate that consumers perceive the product design as a category or type of trade dress for the genus of guitars. Thus, the allegations are insufficient to allege that the product design is generic for the goods.

Accordingly, Petitioner's motions to dismiss are **granted** with respect to the genericness counterclaim.

[5] While the grounds of genericness and failure to function as a trademark share the same statutory basis in Trademark Act Sections 1, 2, and 45 for trademarks, these grounds remain distinct, with different legal tests. *See, e.g.,* TBMP §§ 309.03(c)(1)(11) n. 23 and (15) n. 28 and cases cited. However, a claim of failure to function is time-barred pursuant to Trademark Act Section 14(3).

D. Abandonment

A mark is abandoned "[w]hen its use has been discontinued with intent not to resume such use." 15 U.S.C. § 1127. Thus, there are two elements to a nonuse abandonment claim: nonuse of a mark and intent not to resume use. *Lewis Silkin LLP v. Firebrand LLC*, 129 USPQ2d 1015, 1020 (TTAB 2018) (stating that an abandonment claim must plead nonuse plus intent not to resume such use); *see also Jack Wolfskin Ausrustung Fur Draussen GmbH & Co. KGAA v. New Millennium Sports, S.L.U.*, 797 F.3d 1363, 116 USPQ2d 1129, 1131 (Fed. Cir. 2015). A plaintiff must show both of these elements unless it can show three years of nonuse, which prima facie establishes abandonment, in which case the burden shifts to the defendant to show either that it has used the mark, or that it has an intent to resume use. *See Cerveceria Centroamericana S.A. v. Cerveceria India Inc.*, 892 F.2d 1021, 13 USPQ2d 1307, 1309 (Fed. Cir. 1989).

A sufficient pleading of abandonment does not require detailed factual allegations of abandonment to support the pleading. *See Lewis Silkin LLP*, 129 USPQ2d at 1020 (The Board denied dismissal of the abandonment claim stating that an allegation that "[o]n information and belief, Respondent is not using Respondent's Mark on or in connection with Respondent's Goods and Services with no intent to resume such use" was a sufficient pleading of abandonment.).

All of Respondent's allegations regarding abandonment do not amount to a pleading that Petitioner ceased use of the mark with an intent not to resume use. "Use in commerce" is definied as:

> "a mark shall be deemed to be in use in commerce—(1) on goods when—(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and (B) the goods are sold or transported in commerce"

Trademark Act Section 45, 15 U.S.C. § 1127. While Respondent's allegations indicate periods of non-production, (16 TTABVUE 34, ¶ 34) this does not clearly state that Petitioner ceased all forms of use in commerce of the mark. Furthermore, allegations that the goods have not been sold by Petitioner or listed them on their website since prior to 2020 (*Id.)* are also insufficient to allege cease of use in commerce.[6]

Accordingly, Respondent has not sufficiently plead a counterclaim of abandonment and Petitioner's motions to dismiss the counterclaim are **granted**.

III. Summary and Proceeding Status

Respondent has failed to sufficiently allege a viable claim for relief. Accordingly, Petitioner's motions to dismiss are **granted**. It is the Board's practice to grant leave to amend, if an amended pleading would not be futile. *See, e.g., Wise F&I, LLC, et al. v. Allstate Ins. Co.*, 120 USPQ2d 1103, 1110 (TTAB 2016) (allowing time to cure defective pleading). If the law and facts so warrant, Respondent is allowed until **thirty days** from the date of this order to file an amended counterclaim sufficiently pleading fraud, genericness, and/or abandonment. If no amended counterclaim is filed, Respondent's counterclaims may be dismissed with prejudice.

[6] Allegations of nonuse of the mark on the Internet, even if proven, would not establish nonuse of the mark in commerce. *Anosh Toufigh v. Persona Parfum, Inc.*. 95 USPQ2d 1872, 1875 (TTAB 2010) ("Respondent's identification [of services] is not limited in its channels of trade, and Respondent need not market via the Internet if it chooses not to do so.").

If an amended counterclaim is filed, Petitioner is allowed until **sixty days** from the date of this order to file an answer or other response to the amended pleading. The Board will notify the parties as to the remaining schedule once pleadings are closed.

IV. Important Trial and Briefing Instructions

Generally, the Federal Rules of Evidence apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125. These include pretrial disclosures, the manner and timing of taking testimony, matters in evidence, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition transcripts and stipulated evidence.

Trial briefs shall be submitted in accordance with Trademark Rules 2.128(a) and (b). Such briefs should focus on the most pertinent evidence and utilize citations to the TTABVUE record created during trial, to facilitate the Board's review of the evidence at final hearing. See TBMP § 801.03. Oral argument at final hearing will be scheduled only upon the timely submission of a separate notice as allowed by Trademark Rule 2.129(a).