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Keeping Tabs on the TTAB®

The Top Ten TTAB Decisions of 2009®

By John L. Welch

For many trademark practitioners, the highlight of the year 2009 emanated not from the Trademark Trial and Appeal Board but from the U.S. Court of Appeals for the Federal Circuit. In *In re Bose Corporation*, 91 USPQ2d 1938 (Fed. Cir. 2009), the appellate court discarded the "knew or should have known" standard for fraud set out by the TTAB in *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 USPQ2d 1205 (TTAB 2003), ruling that "[b]y equating 'should have known' with a subjective intent," the Board had "erroneously lowered the fraud standard to a simple negligence standard." *Bose* swept aside the Board's still-developing fraud jurisprudence and left practitioners facing a rather barren landscape. This essay will explore some of the questions about fraud that now remain to be answered, and then it will abruptly turn to this author's annual list of the ten most important and/or interesting TTAB decisions of the year.

During 2009, the Trademark Trial and Appeal Board issued more than 600 final decisions, of which fewer than ten percent were deemed precedential. Perhaps the most significant of the chosen ten decisions, one that may have serious ramifications for foreign trademark owners, involved a successful challenge to an applicant's *bona fide* intent to use his mark. On the fraud front, the Board issued two post-*Bose* decisions that reflected the Board's revised view of trademark fraud. In other noteworthy cases, it confirmed that American trademark law does not provide for a separate cause of action under Article 6*bis* of the Paris Convention. In two cases of first impression, the Board held that a sound mark for goods that make the sound in their normal course of operation cannot be inherently distinctive and may be registered only upon proof of acquired distinctiveness, but that a costume or uniform may be an inherently distinctive service mark. And it rendered its usual quota of cases interpreting the *Trademark Rules*, including an unexpected reading of Rule 2.122 concerning submission of pleaded registrations, and two rulings emphasizing the importance that the Board places on its new discovery conference and disclosure regime.

I. Fraud in the Post-*Bose* Era

Our discussion of fraud necessarily begins with *Bose*. The TTAB, in *Bose Corporation v. Hexawave, Inc.*, 88 USPQ2d 1332 (TTAB 2007) [not precedential], held that Bose Corporation committed fraud in its 2001 renewal of a registration for the mark WAVE for, *inter alia*, audio tape recorders and players. Bose stated in the renewal declaration that the mark was still in use in commerce on all the identified goods. However, it had in fact stopped manufacturing and selling audio tape recorders and players in 1996-97, but it did not delete those goods from the WAVE registration when it filed for renewal.

Bose contended that the statement regarding "use in commerce" was proper "because owners of audio tape recorders and players continue to send their previously purchased goods to opposer for repair services and upon completion of the repair services, Bose 'transports' them back to the owner." The Board, however, concluded that this repairing and shipping back did not constitute "use in commerce" under the *Trademark* Act, and that "inasmuch as Bose was not using the mark in connection with audio tape recorders and players, the statement in its Section 8/9 renewal paper was false" and "not reasonable" and therefore Bose had committed fraud.

The CAFC disagreed, holding that, even though the statement regarding use was legally incorrect, there was insufficient proof that Bose's statement was made with deceptive intent. Reviewing the Board's seminal ruling in *Medinol*, the court concluded the TTAB had been applying a much too liberal test for fraud:

> [D]espite the long line of precedents from the Board itself, from this court, and from other circuit courts, the Board [held] that "[a] trademark applicant commits fraud in procuring a registration when it makes material representations of fact in its declaration which it knows or should know to be false or misleading." . . . By equating "should have known" of the falsity with a subjective intent, the

> Board erroneously lowered the fraud standard to a simple negligence standard. 91 USPQ2d at 1940.

The CAFC then made it clear that proof of intent to deceive is required to establish fraud: "Thus, we hold that a trademark 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."

> Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis. 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." *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 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." *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 876 (Fed. Cir. 1988) (*en banc*). 91 USPQ2d at 1941.

Bose's general counsel, Mark E. Sullivan, testified that he believed the statement that Bose was still using the mark was true when he signed the renewal application. The appellate court pointed out that "[u]nless the challenger can point to evidence to support an inference of deceptive intent, it has failed to satisfy the clear and convincing evidence standard required to establish a fraud claim." On that basis, the court reversed the finding of fraud.

The CAFC's decision in *Bose* brought an abrupt end to the reign of *Medinol*, when fraud was a favored avenue of attack in TTAB *inter partes* proceedings. Under *Medinol*, once a party discovered that the other side had filed its use-based application or maintained its registration for a mark that was not in use for all the listed goods or services, summary judgment for fraud was a near certainty. The attacking party did not have to prove that its adversary intended to deceive the US Patent and Trademark Office (USPTO), but only that the adversary "knew or should have known" that its statement regarding use was false. All that changed with *Bose.*

A. If Not "Knew or Should Have Known," Then What?

In light of *Bose*, proof that a declarant "knew or should have known" that his or her statement regarding use was false is not enough to support a finding of fraud. Clear and convincing evidence of deceptive intent is required. But because "direct evidence of deceptive intent is rarely available," in most cases "indirect and circumstantial evidence" will have to fill the bill. But how much evidence, and of what?

The CAFC stated in *Bose* that "there is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive." 91 USPQ2d at 1942. Let's explore that statement and see where it leads us.

The particular facts in *Bose* fall under the "honest misunderstanding" umbrella. General Counsel Sullivan explained that, when he signed the Section 8 Declaration in 2001 verifying that the mark WAVE was still in use for audio recorders, he believed that Bose's repairing of the damaged, previously-sold WAVE audio tape recorders and players and returning the repaired goods to the customers met the "use in commerce" requirement for the renewal of the trademark. It turned out that Sullivan's statement was not correct – returning repaired goods does not constitute "use" of the mark – but prior to 2001, neither the USPTO nor any court had interpreted "use in commerce" to exclude the repairing and shipping of repaired goods.

So Bose had an explanation for the false statement of use. The law was unclear, and Sullivan could honestly believe that the WAVE mark was still in "use" for audio recorders. [The TTAB had questioned whether this belief was "reasonable," but the CAFC stated that reasonableness "is not part of the analysis." That seems a bit strange to me, since an honest but totally off-the-wall belief would hardly seem a legitimate explanation that would avoid fraud.]

We have seen at least one other fraud case in which the declarant was absolved of fraud because of an honest (reasonable) belief in the truth of the statement made: *Maids to Order of Ohio, Inc. v. Maid-to-Order, Inc.*, 78 USPQ2d 1899 (TTAB 2006) ("It was not unreasonable for Ms. Kern, as a layperson, to believe that the … activities constituted use of the MAID TO ORDER mark in interstate commerce.") But a claimed failure to understand basic trademark law does not excuse fraud. *See, e.g. Hurley Int'l LLC v. Volta*, 82 USPQ2d 1339 (TTAB 2007) (Board rejected Australian applicants' claim of misunderstanding as to the requirements of Section 1(a)); *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917 (TTAB 2006) (Board rejected claim of Canadian registrant that it did not understand the term "use in commerce").

In short, if a party is going to rely on the "honest misunderstanding" excuse to avoid fraud, it had better have a good (reasonable?) explanation. Unfamiliarity with basic trademark law will not do the trick.

In most cases, however, the "honest misunderstanding" excuse will probably not be available because it will be clear (typically after discovery) that the mark had simply not been used with some of the identified goods or services. In those cases, the declarant will likely claim that the false statement regarding use resulted from "inadvertence" of some sort. But under what circumstances does "inadvertence" go too far?

B. When Does Inadvertence Become Reckless Disregard for the Truth?

Let's consider that issue by going back to the facts in *Medinol*, where Registrant Neuro Vasx relied, unsuccessfully, on the inadvertence excuse. Neuro Vasx verified in its Statement of Use that its mark NEUROVASX had been in use for "medical devices, namely, neurological stents and catheters." After Medinol's petition for cancellation was filed alleging that the SOU was fraudulent, Neuro Vasx admitted in its answer that it had not used the mark for stents. It moved to amend its registration to delete "stents," claiming that the word had been "overlooked" when the SOU form was completed. The Board denied the motion to amend and instead entered summary judgment *sua sponte* against Neuro Vasx on the ground of fraud. Although it accepted the "overlooked" statement, the Board still found fraud under the now-defunct "knew or should have known" standard.

Suppose the TTAB were deciding *Medinol* today? Would Neuro Vasx's alibi qualify as "inadvertence" under *Bose*? Is that all a declarant has to do to avoid a fraud ruling: claim the error was overlooked? Suppose an applicant or registrant "overlooked" not one of two items, but two out of four? 10 out of 20? 50 out of 100?

Just what "sins of overlooking" does the inadvertence shield cover? Is the Board more likely to excuse one overlooked item out of 50 than one item out of two? Does it matter whether the overlooked item is closely related to the other(s): for example, overlooking "v-necked t-shirts" in a list of 100 clothing items may be more readily excusable than overlooking "nuclear power plants" in an identification that lists only "chewing gum and nuclear power plants."

Maybe the question should be posed this way: At what point does failure to pay attention become fraud? When does carelessness become inexcusable?

In *Medinol* the TTAB stated that Neuro Vasx's "knowledge that its mark was not in use on stents – or its reckless disregard for the truth – is all that is required to establish intent to commit fraud." The Board took the same position in *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917 (TTAB 2006) (failure to make appropriate inquiry regarding its false statements constituted "reckless disregard for the truth"), and in *Zanella Ltd. v. Nordstrom, Inc.*, 90 USPQ2d 1758 (TTAB 2008) (failure to make appropriate inquiry is a "reckless disregard for the truth").

The CAFC in *Bose* declined to reach the issue of whether reckless disregard for the truth constitutes fraud. But the Board's recent precedential decision in *DaimlerChrysler Corporation and Chrysler, LLC v. American Motors Corporation*, Cancellation No. 92045099 (January 14, 2010) suggests that "reckless disregard" may suffice for a fraud finding. There, in denying Daimler Chrysler's motion for summary judgment based on alleged fraud, the Board pointed out that Petitioner DaimlerChrysler offered no direct evidence regarding AMC's intent to deceive the USPTO, nor

> any indirect or circumstantial evidence which would lead us to the inevitable conclusion (which on summary judgment means the absence of any genuine issue of material fact) that respondent had the intent to deceive the office, or at least had a <u>reckless disregard</u> for the truth. (slip op. at 10) [emphasis supplied].

Suppose that reckless disregard for the truth will suffice to support a fraud claim. That leads to the question: where does "inadvertence" leave off and "reckless disregard" begin? *Medinol* and its progeny stress that averments made with "such degree of solemnity" should be thoroughly investigated prior to signature. If a declarant fails to read the declaration before signing, is that a reckless disregard for the truth? What if, as in *Medinol*, the declarant claims to have overlooked one of only two items in the identification of goods? Or suppose the declarant read the statement and assumed it was correct, but did nothing to investigate the truth of the statement? Is that a "reckless disregard" amounting to fraud? The answers to these questions will tell us a lot about the viability of the fraud defense in TTAB proceedings.

C. Why Apply Patent Law to Trademark Fraud?

In its fraud analysis in *Bose*, the CAFC relied on various precedents involving inequitable conduct in the patent arena. However, as trademark expert Joe Dreitler has pointed out in his recent article, "The Dangers Posed by Bose," December-January 2010 *World Trademark Review* 13-17 (Issue 23), trademark fraud and patent inequitable conduct are completely different beasts, and they should be treated differently.

Generally speaking, a patent is a government grant of an exclusive right, for a limited time, to make, use, offer for sale, and sell a particular invention. If a patent is held unenforceable due to inequitable conduct, the patentee is left with nothing. Consequently, the CAFC maintains a very high standard of proof for inequitable conduct:

> The need to strictly enforce the burden of proof and elevated standard of proof in the inequitable conduct context is paramount because the penalty for inequitable conduct is so severe, the loss of the entire patent even where every claim clearly meets every requirement of patentability. *Star Scientific, Inc. v R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1366 (Fed. Cir. 2008).

The patent doctrine of inequitable conduct requires clear and convincing proof of both the materiality of the misrepresentation and the intent to deceive the USPTO. "Information is material when a reasonable examiner would consider it important in deciding whether to allow the application to issue as a patent." *Id.* at 1367. Information concealed from the UPSTO may be material even if it does not invalidate the patent. *Ibid.*

Determining materiality in the patent context is not easy: Should some piece of information have been disclosed to the USPTO? Is a certain prior art reference merely cumulative? What exactly does it disclose? Would it affect examination of the application? This is hardly a black-and-white decision, and there is much room for disagreement.

In short, the CAFC requires clear and convincing proof of inequitable conduct in patent cases because of the severity of the penalty and the uncertainty surrounding the materiality issue.

This contrasts sharply with the trademark side of the coin. In the typical trademark fraud case, there is no issue of materiality because a false statement regarding use is clearly material to the examination of the application or Section 8 declaration: the application would not be approved for publication, or the declaration accepted, if the USPTO knew the truth. Moreover, it is usually a simple question with a black or white answer: either the mark was in use for a particular good or service, or it wasn't.

Furthermore, as Mr. Dreitler points out, the consequence of a finding of trademark fraud is not nearly as severe as in the patent context. A trademark applicant or registrant found to have committed fraud will lose its application or registration (and the appurtenant priority thereof), but its common law rights will remain intact. Unlike the patentee, it hasn't lost everything.

Given the lesser severity of the punishment for trademark fraud and the relatively simple and straightforward determination of materiality, why should such a high standard of proof for fraud be imported from the patent context? Yet that's what the CAFC did in *Bose*, relying on *Star Scientific* at the core of its ruling.

As discussed above, "reckless disregard for the truth" might satisfy the intent requirement for fraud in the trademark context. The CAFC in *Bose* specifically declined to rule on that question (footnote 2), but did it also gave some indication that reckless disregard might not be enough?

> We [have] even held that "a finding that particular conduct amounts to 'gross negligence' does not of itself justify an inference of intent to deceive." *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 867 (Fed. Cir. 1988) (*en banc*). The principle that the standard for finding intent to deceive is stricter than the standard for negligence or gross negligence, even though announced in patent inequitable conduct cases, applies with equal force to trademark fraud cases. After all, an allegation of fraud in a trademark case, as in any other case, should not be taken lightly. *San Juan Prods.*, 849 F.2d at 474 (quoting *Anheuser-Busch, Inc. v. Bavarian Brewing Co.*, 264 F.2d 88, 92 (6th Cir. 1959)). Thus, we hold that a trademark 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. 91 USPQ2d at 1941.

There is no dispute that an allegation of trademark fraud "should not be taken lightly." But does that preclude a lesser standard of proof for fraud in trademark cases, where the consequences are less severe than in a patent case and where the materiality is unquestionable? The verification of an application or a declaration of use is not to be taken lightly either.

The CAFC insists that trademark fraud should be treated the same way as inequitable conduct in a patent application, since they both constitute false representations made to the same agency, the USPTO. But it is only by historical accident that the trademark operation and the patent operation inhabit the same governmental agency. In reality, they have nothing to do with each other. [As an attorney who has practiced both patent and trademark law, I can think of no reason why patents and trademarks should be handled by the same agency.] This leads me to ask this question: If patents and trademarks were each handled by separate agencies, would the CAFC so readily apply patent fraud principles to a trademark case? I doubt it.

In any event, in its criticism of *Medinol*, the CAFC stated that the TTAB had "lowered the fraud standard to a simple negligence standard." And it further stated that even gross negligence is not enough. But has the CAFC left the door open for "reckless disregard" as a basis for trademark fraud? Is the TTAB ready to step through that door? We shall see.

D. Can Fraud be Cured After *Bose*?

You will recall that, in an apparent attempt to lessen the pain of the TTAB's stringent *Medinol* doctrine, the TTAB threw a lifeline to trademark applicants and registrants by developing a (rather clunky) set of decisions that allowed one to "cure" a fraud on the USPTO under certain circumstances. But with the stricter fraud standard mandated by the CAFC in *Bose*, does this line of "cure" cases remain viable? I think not.

In *Medinol*, Registrant Neuro Vasx attempted to "cure" its fraud by amending its registration to remove one of two items (stents and catheters) from its identification of goods because its mark had not been used on stents. The Board found fraud (under the now defunct "knew or should have known" theory), pointing out that even if the amendment were allowed, "the question remains whether or not respondent committed fraud upon the Office in the procurement of its registration." So much for curing fraud after a registration has been challenged.

The Board first suggested the possibility of "curing" fraud in *Hurley Int'l LLC v. Volta*, 82 USPQ2d 1339 (TTAB 2007). There, after the opposition commenced, the Applicants sought to cure their non-use problem by amending their filing basis to Section 44(e). The Board observed, however, that "the proposed amendment does not serve to cure a fraud that was committed." But in *dictum* the Board offered a ray of hope to trademark practitioners worried about potential fraud charges: "We note, however, that a misstatement in an application as to the goods or services on which a mark has been used does not rise to the level of fraud <u>where an applicant amends the application prior to publication</u>." *Id.* at 1344, n. 5 [emphasis supplied].

The *dictum* in *Hurley* was given life in *University Games Corp. v. 20Q.net Inc.*, 87 USPQ2d 1465 (TTAB 2008) [precedential], wherein the Board ruled that an applicant who corrected a false statement as to use while the subject application was under prosecution enjoyed "a rebuttable presumption that [the applicant] lacked the willful intent to deceive the Office." Judge Walsh, concurring with the majority, would have gone even farther, urging that this corrective action during prosecution negated fraud altogether:

> In my view, such corrective action should preclude a fraud claim: (1) because the action effectively negated the intent to establish fraud, and (2) because the allegedly false statement, once deleted, was not material to the Office's later approval of the application. 87 USPQ2d at 1469.

And in 2009 the Board extended its "cure" jurisprudence beyond the prosecution stage, designating as precedential its decision in *Zanella Ltd. v. Nordstrom, Inc.*, 90 USPQ2d 1758 (TTAB 2008). It followed the approach of the panel majority in *University Games* in ruling that correction of a false statement regarding use, <u>if made before a registration has been challenged,</u> creates "a rebuttable presumption that [registrant] did not intend to commit fraud."

So, prior to the CAFC's decision in *Bose*, applicants and registrants who were concerned that an erroneous statement regarding use might lead to a fraud claim, were given a way to cure the problem by filing a corrective amendment – the sooner the better, and hopefully before any challenge arose.

But that "cure" jurisprudence was developed under the *Medinol* fraud regime, where "knew or should have known" was the relevant standard. *Bose* requires a much more substantial showing to support a finding of fraud – just what that standard is remains to be seen.

Let's suppose that reckless disregard for the truth is now the minimum requirement. How does that affect the concept of curing fraud?

If a corrective amendment regarding the use of a mark is made while the application is being prosecuted, how can there be fraud at all? There has been no reliance on the false statement by the USPTO, since the Examining Attorney has not yet approved the mark for publication. So it seems to me (as Judge Walsh stated in *Universal Games*) that there is no fraud because there is no materiality and/or no reliance. [Whether there should be some other consequence for filing a false verification of the application is a different question, not addressed here.]

What about after the application has been approved for publication? Remember we have posited that the false statement regarding use was made with at least a reckless disregard for the truth. Is there any reason why the Board should allow such a false statement to be cured? We are not dealing with an innocent false statement, or even the negligent false statement, or even a grossly negligent false statement. I submit that if fraud has occurred under the heightened post-*Bose* standard, then there should be no cure available. Period.

In sum, I suspect that the TTAB's "cure" jurisprudence has suffered the same fate as the *Medinol* fraud standard: it's now defunct too.

II. The Top Ten TTAB Decisions of 2009®

Turning from the repercussions of the CAFC's bombshell ruling, we shall now review my highly subjective selection of the ten most interesting and/or important TTAB decisions of 2009.

1. *Honda Motor Co., Ltd. v. Friedrich Winkelmann*, 90 USPQ2d 1660 (TTAB 2009) [precedential].

In a decision that may open a Pandora's box for foreign applicants and registrants, the Board ruled on summary judgment that Applicant Friedrich Winkelmann had failed to establish the requisite *bona fide* intent to use his mark in the United States, and so it sustained Honda's opposition to Winkelmann's Section 44(e) application (based on a German registration) to register the mark V.I.C. for "vehicles for transportation …."

The Board pointed out that an applicant who seeks registration under Section 44(e) of the Trademark Act must include a verification that he/she/it has a *bona fide* intent to use the mark in commerce. [The same is true for applicants under Sections 44(d) and 66(a)]. The Board applies the "same objective, good faith analysis" that it applies under Section 1(b) for a U.S. applicant. *See Lane Ltd. v. Jackson Int'l Trading Co.*, 33 USPQ2d 1351, 1355 (TTAB 1994). Moreover, the Board ruled in *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1507 (TTAB 1993), that the absence of any documentary evidence regarding an applicant's *bona fide* intent "is sufficient to prove that an applicant lacks such intention" under Section 1(b).

Winkelmann responded to Honda's interrogatories by stating that he "has not had activities in the U.S. and has not made or employed a business plan, strategy, arrangements or methods there," and "has not identified channels of trade that will be used in the United States." The only documents he produced comprised printouts from his website, copies of his "German, European and WIPO" trademark registrations, and correspondence with the USPTO. In opposing the summary judgment motion, Winkelmann submitted "statements of subjective intent" made by others on his behalf.

Both Winkelmann and Honda pointed to Winkelmann's website as showing how the mark is used in Europe, but Applicant did not identify "the portions of the record … that demonstrate that he manufactures vehicles in Germany or elsewhere."

> To raise a genuine issue of material fact, applicant must rely on specific facts that establish the existence of an ability and willingness to use the mark in the United States to identify its claimed "vehicles for transportation" at the time of the filing of the application. Applicant's declarations of outside counsel merely state opinions and do not provide specific facts in support of his position.
>
> …
>
> … The website printouts are not translated, but judging from the graphics, the mark seems to be used to identify car packages or promotional material, not the vehicles themselves, and there is no evidence of a *bona fide* intent to use the mark in the United States as to the goods listed in the application. Any intention to use the mark may go to promotional services for dealerships, but not to "vehicles for transportation." 90 USPQ2d at 1664.

The Board distinguished this case from *Lane*, *supra,* which involved a Section 44(d) application based on an Austrian priority filing. There the Board found the applicant's evidence of *bona fide* intent to be sufficient: applicant's principal was engaged in the tobacco marketing business, including the export of tobacco to the United States under a prior mark, and had made attempts to obtain a U.S. licensee. In contrast, here "there is no evidence that applicant is engaged in the manufacture or sale of automobiles under the claimed mark."

And so the Board granted the motion for summary judgment and sustained the opposition.

One suspects that we will be seeing with increasing frequency challenges to an applicant's or registrant's claim of *bona fide* intent. Foreign trademark owners, unfamiliar with the Constitution-based use requirement that underpins this country's federal trademark law, would seem to be particularly vulnerable to this line of attack.

2. *Enbridge, Inc. v. Excelerate Energy Limited Partnership*, 92 USPQ2d 1537 (TTAB 2009) [precedential].

The TTAB drove its own stake through the heart of *Medinol* in its first precedential ruling on fraud since *Bose*. Opposer Enbridge, Inc. moved for summary judgment on the ground of fraud, claiming that Applicant Excelerate had never used the applied-for mark ENERGY BRIDGE for various services recited in the subject use-based application. Excelerate admitted that it had never used the mark for one of the listed services, the transmission of oil, but disputed the lack-of-use charge as to other services. The Board applied the CAFC's fraud standard set out in *Bose*, in denying the motion because there existed genuine issues of material fact regarding whether Applicant "knowingly made this representation of use with the intent to deceive the USPTO."

Excelerate characterized "the statement in its application that it provided 'transmission of oil' as 'an inadvertent, honest mistake'" and maintained that its subsequent amendment of its recitation of services [after the opposition was filed] "corrected its error in good faith." That was enough to avoid summary judgment.

> Based on the record before us, and applying the standard set forth in *In re Bose*, we conclude that opposer has failed to meet its burden of establishing that there is no genuine issue that applicant had the intent to deceive the USPTO when it stated in its application that it was using its ENERGY BRIDGE mark for "transmission of oil" as of the filing date of the application. At a minimum, whether applicant knowingly made this representation of use with the intent to deceive the USPTO remains a genuine issue of fact to be determined at trial. 92 USPQ2d at 1541.

The TTAB pointed out that "[u]nless a party alleging fraud can point to clear and convincing evidence that supports drawing an inference of deceptive intent, it will not be entitled to judgment on a fraud claim." Once Excelerate (not unexpectedly) claimed innocence, it was up to the opponent to provide proof of Excelerate's intent to deceive the USPTO. Of course, had Enbridge known that the *Medinol* standard for proof of fraud would be jettisoned, it perhaps might have changed its approach to the case in seeking the now-required proof.

It seems clear that proving a fraud claim on summary judgment will now be the exception rather that the rule. In *Medinol*, the TTAB entered summary judgment *sua sponte* on the ground of fraud. But in the post-*Bose* era, one will need to find the proverbial "smoking gun" before the TTAB will find fraud on summary judgment.

3. *Asian and Western Classics B.V. v. Lynne Selkow*, 92 USPQ2d 1478 (TTAB 2009) [precedential].

The Board next took on the issue of how to plead a fraud claim. Petitioner Asian and Western contended that summary judgment was proper because "there was no use of the mark on some of the goods [bracelets] set forth in the registration" when Ms. Selkow filed her Section 8 declaration. The Board looked at the relevant pleading and found that, in light of *Bose*, the fraud claim was insufficiently pleaded.

FRCP 9(b) requires that the elements of fraud be pleaded with particularity. Petitioner had made the following unparticular allegations regarding fraud:

> 3. Petitioner is informed and believes that Selkow did not have bona fide use in commerce of the KL Design Mark at either the time the application for registration was filed or the date of the registration.
>
> 4. Petitioner is informed and believes that despite not having any bona fide use of the mark in commerce, Selkow submitted false statements to the trademark office attesting to such use when she filed her application for registration. Selkow knew or should have known that the statements were false, and thus the registration was obtained fraudulently and should be cancelled.

The Board quoted the CAFC's decision in *Exergen Corp. v. Wal-Mart Stores Inc.*, 91 USPQ2d 1656 (Fed. Cir. 2009) [a patent case] in observing that "[p]leadings of fraud made on 'information and belief,' when there is no allegation of 'specific facts upon which the belief is reasonably based' are insufficient." "[T]o satisfy Rule 9(b), any allegations based on 'information and belief' must be accompanied by a statement of facts upon which the belief is founded." The Board then cited *Kowal v. MCI Comm'n Corp.*, 16 F.3d 1271 (D.C. Cir. 1994) for the following point: "[P]leadings on information and belief [under Rule 9(b)] require an allegation that the necessary information lies within defendant's control, and … such allegations must also be accompanied by a statement of the facts upon which the allegations are based."

Here, Petitioner's fraud allegations were based solely on information and belief and failed to meet the particularity requirement of FRCP 9(b): "they are unsupported by any statement of facts providing the information upon which petitioner relies or the belief upon which the allegation is founded (i.e., known information giving rise to petitioner's stated belief, or a statement regarding evidence that is likely to be discovered that would support a claim of fraud)."

Moreover, citing *Bose*, the Board pointed out that "[a] pleading of fraud on the USPTO must also include an allegation of intent." A statement that the applicant or registrant "knew or should have known" that the statement was false or misleading is not sufficient "because it implies mere negligence and negligence is not sufficient to infer fraud or dishonesty."

The Board then pointed to *Crown Wallcovering Corp. v. The Wall Paper Mfrs. Ltd.*, 188 USPQ 141, 144 (TTAB 1975) for its statement that "in order to state a claim upon which relief can be granted on the ground of fraud, it must be asserted that the false statement complained of were made willfully in bad faith with the intent to obtain that to which the party making the statements would not otherwise have been entitled."

In light of the inadequacy of the pleading, the Board dismissed Petitioner's summary judgment motion as moot, since one cannot obtain summary judgment on an inadequately pleaded claim. [Petitioner was allowed 20 days to file and serve a proper pleading.]

Finally, taking one last kick at the summary judgment motion, the Board pointed out that, even if it were considered on the merits, the motion must fail because "genuine issues remain at least with respect to respondent's intent to commit fraud on the USPTO."

> A party making a fraud claim is under a heavy burden 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. . . . The factual question of intent is particularly unsuited to disposition on summary judgment. 92 USPQ2d at 1480.

Fortunately, early in 2010, the Board issued a precedential decision that provides some guidance as to how to properly plead a fraud claim. *DaimlerChrysler Corporation and Chrysler, LLC v. American Motors Corporation*, Cancellation No. 92045099 (January 14, 2010). Although Petitioner DaimlerChrysler's pleading (filed pre-*Bose*) was not perfect, it was good enough to clear the FRCP 9(b) hurdle.

The Board pointed out that FRCP 9(b) requires that fraud be pleaded with particularity. Intent to deceive must also be pleaded, although it may be averred generally. DaimlerChrysler, the Board found, "has sufficiently pleaded a fraud claim, including that respondent had the requisite intent to deceive the USPTO in the procurement of its registration." DaimlerChrysler stated specifically the misrepresentations of fact and alleged that they were false and material and were relied upon by the USPTO.

A practitioner would be wise to consult the *DaimlerChrysler* decision when next drafting a fraud claim.

4. *Bayer Consumer Care AG v. Belmora LLC*, 90 USPQ2d 1587 (TTAB 2009) [precedential].

Following the majority view that there is no "famous mark" exception to the territoriality principle of U.S. trademark law, the Board granted three-fourths of Registrant Belmora's motion for dismissal for failure to state a claim upon which relief may be granted.

Respondent Belmora owns a registration for the mark FLANAX for "Orally ingestible tablets of Naproxen Sodium for use as an analgesic." Petitioner Bayer uses the same mark in countries other than the United States for the same product. However, Bayer had one major problem: it did not itself use the mark in the United States, nor did anyone under its authority. [Bayer did allege that "parties" have purchased "authorized" FLANAX goods and imported or carried them into this country for resale.] This problem resulted in the following disposition of its claims.

Bayer's claim under Article 6*bis* of the Paris Convention was jettisoned because the Convention is not self-executing and Section 44 of the Trademark Act does not afford the owner of a foreign trademark a separate basis for cancellation under a "famous mark" theory. Bayer alleged that its mark was "well-known" in this country prior to Belmora's filing date and that Belmora had copied Bayer's mark and packaging for the FLANAX product, but the Board refused to swallow this "famous marks" claim, pointing out that the Paris Convention is not self-executing and that "Articles 6*bis* and 6*ter* do not afford an independent cause of action for parties in Board proceedings." Nor does Section 44 of the Trademark Act "provide the user of an assertedly famous foreign trademark with an independent basis for cancellation in a Board proceeding."

Bayer's Section 2(d) and fraud claims were also rejected. The Board dismissed the Section 2(d) claim because Bayer failed to allege that, prior to respondent's filing date, its FLANAX goods were "manufactured or distributed in the United States by petitioner, or on its behalf." Bayer's fraud claim was "untenable" because, in light of its lack of prior use in the United States, it did not sufficiently allege legal rights superior to those of Belmora.

> A third party's importation and resale of goods does not by itself constitute "use" by petitioner, at least not without some allegation that the third party was licensed or authorized by petitioner to "use" petitioner's alleged mark on petitioner's behalf. 90 USPQ2d at 1591.

Bayer did manage to scrape through with its claim under Lanham Act Section 14(3) by alleging that Belmora misrepresented the source of its goods by copying the FLANAX mark and packaging. Bayer's allegations here were legally sufficient because they "clearly and specifically" stated that "respondent copied petitioner's mark, including its particular display, and virtually all elements of its packaging" to "misrepresent to consumers, including consumers familiar with Petitioner's FLANAX mark," that Belmora's product came from the same source. Bayer's allegation of damage arising from Belmora's use of strikingly similar packaging "to misrepresent the source of" its goods was enough to provide Bayer with standing to bring its Section 14(3) claim.

> Although existing case law does not address whether petitioner's alleged use is sufficient to support a claim of misrepresentation of source, we find that at a minimum the claim is pled sufficiently to allow petitioner to argue for the extension of existing law. Moreover, respondent's focus solely on petitioner's extra-territorial use fails

> to take account of the fact that respondent's use is in the United States and to the extent such use may be misrepresenting to consumers making purchases in the United States that petitioner is the source of respondent's products, the misrepresentation is alleged by petitioner to be occurring in the United States. The Lanham Act provides for the protection of consumers as well as the property rights of mark owners. 90 USPQ2d at 1592.

And so the Board tossed out three of Bayer's claims and resumed the proceeding vis-à-vis the Section 14(3) claim.

5. *In re Vertex Group LLC*, 89 USPQ2d 1694 (TTAB 2009) [precedential].

In a case of first impression, the TTAB held that a sound mark for goods that make the sound in their normal course of operation cannot be inherently distinctive and may be registered only upon proof of acquired distinctiveness. Applicant Vertex sought to register an alarm sound for a "personal security alarm in the nature of a child's bracelet to deter and prevent child abductions" and for "personal security alarms." Because Vertex did not seek to register the mark based on acquired distinctiveness, the Board deemed the mark unregistrable for that reason alone, and it also affirmed the USPTO's two refusals to register on the grounds that Vertex's sound mark is functional under Section 2(e)(5) and fails to function as a trademark for the goods (Sections 1, 2, and 45).

Vertex's alleged mark consisted of "a descending frequency sound pulse (from 2.3kHz to approximately 1.5kHz) that follows an exponential, RC charging curve, wherein said descending frequency sound pulse occurs four to five times per second, and that over a one second period of time, there is alternating sound pulses and silence with each occurring approximately 50% of the time during a one second period of time." Vertex submitted a Statement of Use in the bracelet application but not in the other. It also submitted considerable evidence showing use of the sound for a combination watch and personal alarm for children, called the "AmberWatch."

Vertex asserted that its sound mark was not functional and was inherently distinctive. However, after reviewing the relevant case law on sound marks (particularly *In re General Electric Broadcasting Co., Inc.*, 199 USPQ 560 (TTAB 1978)), as well as the Supreme Court's decisions in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 54 USPQ2d 1065, 1069 (2000) (product design cannot be inherently distinctive) and *Qualitex Co. v. Jacobson Products, Inc.*, 514 U.S. 159, 34 USPQ2d 1161 (1995) (color cannot be inherently distinctive), the Board ruled that "[w]hen a sound is proposed for registration as a mark on the Principal Register, for goods that make the sound in their normal course of operation, registration is available only on a showing of acquired distinctiveness under Section 2(f)." Because Vertex did not seek registration under Section 2(f), and because its alarm sound mark may be registered only upon a finding of acquired distinctiveness, the Board upheld the refusal to register for lack of distinctiveness.

The Board also reviewed and affirmed the two grounds for refusal maintained by the USPTO: functionality and failure to function as a trademark.

The Board first considered the failure-to-function refusal. It reviewed the evidence submitted by Vertex and found nothing that promoted recognition of the alarm sound as a source indicator (e.g., no "listen for" advertising) and nothing that educated the consuming public as to the "assertedly distinctive aspects of the sound."

As to functionality, the Board applied both the Supreme Court test set out in *Qualitex* (quoting *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 214 USPQ 1 (1982), and in *TrafFix Devices Inc. v. Marketing Displays Inc.*, 532 U.S. 23, 58 USPQ2d 1001, 1006 (2001)), and the test set out by the CCPA in *In re Morton-Norwich Products, Inc.*, 213 USPQ 9, 15-16 (CCPA 1982).

Under the Supreme Court's test, the Board found that the use of an audible alarm is functional because it is "essential to the use or purpose of applicant's products." The evidence showed that the use of a loud alarm is important, and that alternating sound pulses and silence provides a "more effective way to use sound as an alarm than is a steady sound."

Applying the four *Morton-Norwich* factors, the Board noted that Vertex has a utility patent on a digital wristwatch with a "loud alarm." Vertex's advertising "extols the loudness of the alarm." Competitors would need to use a loud alarm comprising alternate pulses of sound and silence, and registration of Vertex's sound would deprive competitors of many of the available possibilities. Vertex argued that there are "thousands of specific frequencies within the range that is most suitable for use in alarms," but the Board was not impressed:

> What applicant's argument fails to appreciate, however, is that the description of its mark only specifies that its sound pulse is between 1500 Hz and 2300 Hz. Based on this description, applicant would be free to combine sound pulses for any of the frequencies within this range, a large swath of the optimal range of 1000 Hz to 3000 Hz. While there may indeed be countless combinations of frequencies available for personal alarms utilizing the frequencies within the optimal range, registration of applicant's sound as described would deprive competitors of many of those options. It matters

> not that applicant's actual sound may currently use only a handful of particular frequencies, for it would be free to change the combinations at any time and still have its sound fall within the ambit of the description. This factor favors a finding of functionality. 89 USPQ2d at 1704.

With regard to the fourth factor, the sound of the product has no bearing on the cost or ease of manufacture.

Weighing all the *Morton-Norwich* factors, the Board concluded that the proposed mark is functional and unregistrable.

6. *In re Chippendales USA, Inc.*, 90 USPQ2d 1535 (TTAB 2009) [precedential].

In this highly entertaining opinion [stripped here to its bare essentials], a divided TTAB panel affirmed the USPTO's refusal to register the "Cuffs & Collar" design mark, finding it not inherently distinctive for "adult entertainment services, namely exotic dancing for women in the nature of live performances." Applicant Chippendales already owns an incontestable, Section 2(f) registration for the same mark; it was seeking to establish inherent distinctiveness this time around.

Observing that application of the packaging/product design dichotomy [the former may be inherently distinctive, the latter cannot] is not feasible when considering a service mark, the Board stated that it "must simply assess whether it is reasonable to assume that the consumer is predisposed to view the trade dress as a source indicator." Accordingly, the Board held that the mark at issue here, "like the service mark in *Two Pesos*, is a form of trade dress which may be inherently distinctive." [emphasis in original].

The question then was whether the "Cuffs & Collar" mark was inherently distinctive at the time Chippendales adopted the mark in 1979.

To determine the mark's inherently distinctiveness, the Board applied the first three factors of the CCPA's four-part test in *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.,* 196 USPQ 289 (CCPA 1977):

> 1. whether the Cuffs & Collar Mark is a common basic shape or design;
>
> 2. whether the Cuffs & Collar Mark is unique or unusual in the particular field; and
>
> 3. whether the Cuffs & Collar Mark is a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods or services viewed by the public as a dress or ornamentation for the goods or services. 90 USPQ2d at 1539.

The panel majority ruled that the USPTO had established a *prima facie* case of non-distinctiveness. The evidence included examples of various provocative costumes, leading the majority to conclude that "the Cuffs & Collar Mark was a common basic shape or design," one that comprised a "simple variation on revealing and provocative costumes or uniforms generally in use in the adult-entertainment, exotic dancing field."

Chippendales' expert, Dr. Rachel Shteir, stated that the Cuffs & Collar design was "inspired" by Playboy's bunny costume, which suggested to the panel majority that the Cuffs & Collar Mark was "not necessarily unique in the broader field of adult entertainment when applicant adopted it." Indeed, this same evidence led the majority to find that the mark was a refinement of an existing form of ornamentation.

The majority pooh-poohed Dr. Shteir's declaration because she, although highly qualified in the field of dramaturgy, was not familiar with the field of trademarks and did not conduct any empirical research, "difficult as that may be at this point in time," to determine how customers perceived the Cuffs & Collar Mark when first adopted. [Her comparison of the Chippendale dancers to Mary Poppins, both purportedly being iconic characters, did not impress the panel majority.]

The majority found nothing in Dr. Shteir's testimony or in the other evidence "which in any way alters the simple fact that the focus of the service at its inception was the bodies of the performers, not the particulars of their minimal attire."

The majority therefore concluded that Chippendales had "failed to present sufficient evidence to establish that its mark was inherently distinctive at the time of adoption, and has not, therefore, successfully countered" the USPTO's *prima facie* case. The majority noted, however, that Chippendales' ownership of an incontestable registration for the mark "should serve as no small consolation in spite of our decision here."

Judge Bucher, in a lively dissent, found that the subject mark "would appear to be an original creation and an immediately recognizable symbol belonging to applicant alone, and hence, inherently distinctive."

Judge Bucher accepted Dr. Shteir's conclusion that "the expectations of the all-female audience to whom the show was originally presented are critical to our decision herein." She had posed the critical question as follows:

> Would a woman attending her first Chippendales performance in the late 1970's have understood from that show alone that the "Cuffs and collar" were a designation of Chippendales or would she have seen it as just some generic dress for male strippers? 90 USPQ2d at 1545.

Judge Bucher then cogently presented in bullet-point format his many disagreements with the USPTO's position and the salient points made by the majority. Rather than regurgitate them here [they are recommended reading], suffice it to say that he found, especially in light of Dr. Shteir's testimony, that the USPTO did not meet its burden to show that the Cuffs & Collar Mark is a mere refinement of an existing form of ornamentation.

7. *Research In Motion Limited v. NBOR Corporation*, 92 USPQ2d 1926 (TTAB 2009) [precedential].

Trademark Rule 2.122(d)(1) permits the introduction of a pleaded registration into evidence if the original opposition or petition for cancellation is accompanied by TARR printouts showing the status and title of the registration. But what about introduction at the trial stage? Rule 2.122(d)(2), seems to preclude the use of mere TARR printouts. Not so, said the Board. TARR printouts are acceptable at trial.

Applicant NBOR sought to register the mark BLACK MAIL for "computer software for facilitating interactive communication, namely, chat, electronic mail, voice, instant messages, text transfer, multi-media transfer, live collaboration, motion pictures, and sound over a global computer information network and other networks." RIM opposed on the ground of likelihood of confusion with its registered BLACKBERRY marks for a variety of goods and services in the wireless telecommunications field. RIM also contended that NBOR lacked a *bona fide* intent to use its mark in commerce when the opposed application was filed.

NBOR raised several evidentiary objections, the most interesting being its attack on RIM's registration evidence. RIM submitted its registrations in the form of TARR printouts as part of its notice of reliance, and NBOR argued that this violated the *Trademark Rules*. The Board, however, concluded that the 2007 amendment of Rule 2.121(d)(1) to allow TARR printouts with the original pleading "can only be taken as an indication that the Office meant to liberalize the means for providing a pleaded registration." Therefore, the Board decided that this same liberalization should apply at the trial stage, despite the wording of Rule 2.122(d)(2). [Note that this liberalization applies only to proceedings commenced on or after August 31, 2007.]

Turning to the issue of *bona fide* intent, RIM "met its burden … by showing that applicant has no documentary evidence regarding such intent." See *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1507 (TTAB 1993). Moreover, in its discovery responses NBOR indicated that its mark has not been used; that there are no plans as to how the mark may be used; and that there is no projected date of first use, no consideration of channels of trade, no determination as to classes of customers or geographic areas of sales, no market studies, and no plan for growth or expansion.

NBOR's mere statement that it intended to use the mark, and its denial of a lack of *bona fide* intent, was outweighed by the lack of objective evidence.

Finally, the Board noted that NBOR had twice previously filed applications to use the mark BLACK MAIL, and in each case the application went abandoned for failure to file a statement of use. The legislative history of the Trademark Law Revision Act discusses bona fide intent, and gives examples of circumstances that "may cast some doubt on the bona fide nature of the intent or even disprove it entirely." One example is the filing of numerous intent-to-use applications to replace applications that have lapsed because no timely statement of use was filed. The Board found that NBOR's history of filing and abandoning successive applications also supported the conclusion that NBOR lacked the requisite *bona fide* intent.

And so the Board sustained the opposition on this ground, declining to reach the issue of likelihood of confusion.

8. *Jules Jurgensen/Rhapsody, Inc. v. Peter Baumberger*, 91 USPQ2d 1443 (TTAB 2009) [precedential].

Under Trademark Rule 2.121(e), a party must identify, no later that 15 days before the opening of its testimony period, each witness "from whom it intends to take testimony, or may take testimony if the need arises." Here, Petitioner failed to comply with that Rule, and so the Board struck the testimony of Petitioner's president.

Respondent's counsel attended the deposition (by telephone) and cross-examined the witness under protest, reserving the right to object to the acceptance of his testimony. This comported with Rule 2.121(e)(3), which provides that if pretrial disclosures with regard to a witness are improper or inadequate:

> an adverse party may cross-examine that witness under protest while reserving the right to object to the receipt of the testimony in evidence …. A motion to strike the testimony of a witness for lack of proper or adequate pretrial disclosure may seek exclusion of the entire testimony, when there was no pretrial disclosure …. 91 USPQ2d at 1444 [emphasis in original].

Petitioner did not provide an explanation as to why it did not identify the witness, but merely asserted that the testimony was "critical" to its case. Not good enough, said the Board:

> Because Mr. Clayman is the type of surprise witness that pretrial disclosure practice is intended to discourage, respondent's motion to strike is granted. 91 USPQ2d at 1445.

Note that Rule 2.121(e) came into effect as of November 1, 2007. Proceedings commenced before that date are not subject to this rule.

9. *Promgirl, Inc. v. JPC Co., LTD.*, Opposition No. 91190017 (December 24, 2009) [precedential].

One of the cornerstones of the TTAB's 2007 rule changes is the requirement of Rule 2.120 that the parties hold a discovery conference at the outset of each *inter partes* proceeding. The Board takes that requirement seriously, as demonstrated by its ruling in this precedential decision.

Opposer Promgirl, Inc. filed a motion for sanctions or, alternatively, for an order compelling Applicant JPC to participate in a Rule 2.120 discovery conference. The parties had exchanged some e-mails regarding settlement, but Applicant refused to cooperate when Opposer sought to hold the required conference.

The Board made the observation that, even though the parties discussed settlement, they did not address all the issues outlined in FRCP 26 and in the Board's institution order:

> As the institution order makes clear, the parties are **required** to discuss their plans relating to disclosures, discovery, and trial evidence **unless** they are successful in settling the case. This includes discussion of the possibility of utilizing the Board's Accelerated Case Resolution ("ACR") procedure (see information posted at the Board's website, at http://www.uspto.gov/trademarks/process/appeal/index.jsp), possible modification of the Board's standard protective order, limitations on disclosures or discovery, the willingness of the parties to enter into stipulations of fact, and the willingness of the parties to enter into stipulations to utilize efficiencies for the introduction of evidence at trial, all as explained in the Board's standard institution order. (slip op. at 7) [emphasis in original].

The Board pointed out that the parties have a mutual obligation to hold the discovery conference. Here, Applicant made "no overture of its own to schedule a conference … and failed to cooperate in the scheduling of a conference." On the other hand, "Opposer is not without blame." According to the Board, Promgirl should have made an earlier attempt to schedule a conference and should have followed up earlier with regard to its settlement proposal. Moreover, either party could have requested Board participation in the discovery conference, under Rule 2.120(a)(2).

Therefore, the Board denied Opposer's request for sanctions and ordered that the parties hold a discovery conference with Board participation [One might argue that if the Board really wanted the discovery conference requirement to be taken seriously, it should have issued a stronger sanction against Applicant.]

10. *Kraft Group LLC v. William A. Harpole*, 90 USPQ2d 1837 (TTAB 2009) [precedential].

Just when we Patriots fans had seemingly put the heartbreaking 2007 NFL season behind us, the TTAB came along to open the old wound and pour salt in it. The Board dismissed the Patriots' Section 2(d) opposition to registration of the mark 19-0 THE PERFECT SEASON for various clothing items because Applicant William A. Harpole filed his application for the same mark two months before Opposer Kraft filed its ITU application.

Harpole filed his application on November 8, 2007, seeking registration on the Supplemental Register. Opposer Kraft filed its Section 1(b) application on January 17, 2008, two weeks before Super Bowl XLII (which, as we all know, the Giants won). [Can you spell J-I-N-X?]. A few months later, on April 22, 2008, Harpole amended his application to seek registration on the Principal Register under Section 1(b).

So, in order to establish priority in the opposition, Kraft needed to knock out the Harpole application, or at least change its filing date. Kraft claimed that Harpole's application was void *ab initio* because as of his filing date Harpole had admittedly not used his mark and it therefore was not eligible for registration on the Supplemental Register. Kraft pointed to Rule 2.47(a), which states that "In an application to register on the Supplemental Register under section 23 of the Act, the application shall so indicate and shall specify that the mark has been in use in commerce." Furthermore, Kraft urged that under Rule 2.47(d), an applicant who does not allege use in commerce is not eligible for registration on the Supplemental Register until an allegation of use is filed. In short, according to Kraft, Harpole did not comply with Rule 2.47 (a), and so his application was bogus from the git-go.

Applicant Harpole contended that he met the minimum filing requirements for receiving a filing date under Rule 2.21, and that he was not required to specify a filing basis to receive a filing date. In reply, Kraft asserted that Rule 2.21 applies, by its terms, to Section 1 and 44 applications, and does not mention Section 23 (Supplemental Register) applications.

Both parties moved for judgment on the pleadings. The Board ruled in favor of Applicant Harpole:

> [W]e are not persuaded that applicant's application is void *ab initio* or that its effective filing date must be deemed to be the date on which he amended the application to seek registration on the Principal Register. In particular, we find that opposer has conflated the rule for obtaining a filing date, namely, Trademark Rule 2.21, with the rules that set forth the requirements for obtaining a registration under a particular statutory basis and for a particular register. See, e.g., Trademark Rules 2.32, 2.34(a), and 2.47(a) and (e), 37 C.F.R. §§ 2.32, 2.34(a), and 2.47(a) and (e). 90 USPQ2d 1840. [Reportedly, the penalty for improper conflation is 10 yards plus loss of down – *ed.*].

Even though Harpole's application indicated that he sought a Supplemental Registration, it contained all that was needed to receive a filing date under Rule 2.21(a): the name of the applicant, a correspondence name and address, a listing of goods, and the filing fee for at least one class of goods. Harpole "was not required to specify the filing basis for seeking registration on the Supplemental Register, *i.e.*, Section 1(a) of the Trademark Act, to receive a filing date."

> [T]he Trademark Rules and Trademark Office examination practice clearly allow applicant another opportunity to provide certain information missing from the original application so that the mark may be registered, without losing the original filing date. In sum, contrary to opposer's arguments, Trademark Rule 2.47(a) sets forth the registration requirements for marks to register on the Supplemental Register, not the requirements to obtain a filing date. *Id.*

Therefore, Harpole's application was not void *ab initio*.

Alternatively, Kraft argued that, just as the original filing date is lost when an application is amended to seek registration on the Supplemental Register, "the inverse applies as well" – *i.e.*, even if Harpole's application is not void, it lost its original filing date when amended to the Principal Register. Therefore, the argument went, Kraft had priority. Yet the Board found no authority for the proposition that Harpole should be accorded a later filing date. Rather, a continuing valid basis for registration is presumed when an applicant amends its application for registration on the Supplemental Register to one seeking a Principal Registration.

Accordingly, the Board denied Kraft's motion for judgment on the pleadings. Because the filing dates of the parties' respective ITU applications were now established, and because Harpole filed first, Kraft's claim of priority failed as a matter of law. The Board therefore granted Harpole's motion and dismissed the opposition "subject to applicant's establishment of constructive use." [Presumably, Kraft's application will remain suspended until such time as Harpole's application either issues to registration or is abandoned.]

III. Conclusion

We may certainly expect the year 2010 to bring some important developments in the fraud area, as the Board sets out to reconstruct its fraud jurisprudence. Challenges to an applicant's or registrant's *bona fide* intent will likely increase, bringing some clarity to the parameters of that doctrine. And the interpretation and application of the Board's rules will undoubtedly continue to be a focus of our attention. What other areas will spark our interest? We will have to wait and see. But one thing is for sure: we won't have *Medinol* to kick around any more.