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PRECEDENT OF THE
TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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mbm

August 17, 2021

Cancellation No. 92075132

BioWorld USA, Inc.

v.

Advanced BioTech, LLC

Before Mermelstein, Lynch, and Lebow,
Administrative Trademark Judges.

By the Board:

This proceeding now comes before the Board for consideration of Respondent's motion (filed April 1, 2021) to dismiss Petitioner's amended petition to cancel (filed March 13, 2021) for failure to state a claim upon which relief can be granted pursuant to Fed. R. Civ. P. 12(b)(6) or, in the alternative, for summary judgment on claim and issue preclusion. The motion is fully briefed.

The Board has considered the parties' briefs on the contested motion, but does not repeat or discuss all of their arguments, except as necessary to explain the Board's order. *Guess? IP Holder LP v. Knowlux LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015).

I. Background

Respondent is the owner of Registration No. 5712872 for the mark BIOWORLD PRODUCTS, in standard characters, for the following goods in International Class 1 (“the Registration”):

Chemical and biological goods, supplies and commercial product formulations, namely, specially formulated chemical and biological compounds for the treatment, mitigation, cleanup and bioremediation of oils, algae, odors, and organic wastes, and bioenhancement and augmenting compounds associated with the growth and production of bacterial and microbial cultures and plant life and the addition of naturally occurring microorganisms for use and application in the environmental cleanup of oil spills, cleanup of contaminated soils, solid wastes, sludge, fresh water, brackish water, salt water, wastewater, and air.¹

On August 25, 2020, Petitioner filed a petition to cancel the Registration. In lieu of filing an answer to the petition to cancel, Respondent filed a motion to dismiss for failure to state a claim upon which relief can be granted pursuant to Fed. R. Civ. P. 12(b)(6).

On February 19, 2021, the Board found that Petitioner had failed to adequately plead its entitlement to a statutory cause of action or any legally sufficient claim for cancellation. The Board therefore granted Respondent’s motion to dismiss and provided Petitioner time in which to file and serve an amended petition to cancel.

On March 13, 2021, Petitioner timely filed an amended petition to cancel. On April 1, 2021, in lieu of filing an answer to the amended petition to cancel, Respondent

¹ Registration No. 5712872, issued April 2, 2019, pursuant to Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a). “PRODUCTS” is disclaimed.

again filed a motion to dismiss for failure to state a claim upon which relief can be granted pursuant to Fed. R. Civ. P. 12(b)(6). Respondent also requests that the Board, in the alternative or in conjunction with its motion to dismiss for failure to state a claim, construe the motion as one for summary judgment on the grounds of issue and claim preclusion based on a prior Board proceeding, Opposition No. 91236811, involving the same parties.

We turn first to Respondent's motion to dismiss the amended petition to cancel the Registration for failure to state a claim under Rule 12(b)(6).

II. Respondent's Motion to Dismiss Petitioner's Amended Petition to Cancel

To survive a motion to dismiss, "a complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Ashcroft v. Iqbal*, 556 U.S. 662, 663, 129 S. Ct. 1937, 1949 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 5470, 127 S. Ct. 1955, 1974 (2007)). A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw a reasonable inference that the defendant is liable for the misconduct alleged. *See Twombly*, 550 U.S. at 556-57. However, the plausibility standard does not require that a plaintiff set forth detailed factual allegations. *Id.* Rather, a plaintiff need only allege "enough factual matter ... to suggest that [a claim is plausible]" and "raise a right to relief above the speculative level." *Totes-Isotoner Corp. v. United States*, 594 F.3d 1346, 1354 (Fed. Cir. 2010). Moreover, it is well established that whether a plaintiff can actually prove its allegations is not a matter to be determined upon motion to dismiss, but rather at final hearing or upon summary judgment, after the

parties have had an opportunity to submit evidence. *See Libertyville Saddle Shop Inc. v. E. Jeffries & Sons, Ltd.*, 22 USPQ2d 1594, 1597 (TTAB 1992) (“A motion to dismiss does not involve a determination of the merits of the case....”).

In deciding Respondent’s motion, the Board has given no consideration to matters that are outside of the pleadings. *See, e.g., Compagnie Gervais Danone v. Precision Formulations LLC*, 89 USPQ2d 1251, 1255-56 (TTAB 2009); TBMP § 503.04. Additionally, the Board has not considered arguments that go to the merits of the case and whether Petitioner ultimately will be able to prove its allegations. *See, e.g., Advanced Cardiovascular Sys. Inc. v. Scimed Life Sys., Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *Covidien LLP v. Masimo Corp.*, 109 USPQ2d 1696, 1697 n.3 (TTAB 2017); *Scotch Whiskey Assos. v. U.S. Distilled Prods. Co.*, 18 USPQ2d 1391, 1393 (TTAB 1991).

A. Entitlement to a Statutory Cause of Action²

To establish entitlement to a statutory cause of action under Section 13 or 14 of the Trademark Act, a plaintiff must demonstrate a real interest in the proceeding and a reasonable belief of damage. *Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 2020 USPQ2d 10837 at *3 (Fed. Cir. 2020); *see also Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058

² Our decisions have previously analyzed the requirements of Sections 13 and 14 of the Trademark Act, 15 U.S.C. §§ 1063-64, under the rubric of “standing.” Despite the change in nomenclature, our prior decisions and those of the Federal Circuit interpreting Sections 13 and 14 remain applicable. *See Corcamore, LLC v. SFM, LLC*, 978 F.3d 1298, 2020 USPQ2d 11277, at *6-7 (Fed. Cir. 2020); *Spanishtown Enters., Inc. v. Transcend Res., Inc.*, 2020 USPQ2d 11388, at *2 (TTAB 2020).

(Fed. Cir. 2014); *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1727 (Fed. Cir. 2012); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999).

Respondent argues that Petitioner “has failed to allege facts sufficient to establish that it [is entitled to a statutory action] to bring the Amended Petition.”³ However, in its amended petition to cancel, Petitioner pleads that it uses the mark BIOWORLD PRODUCTS and that Respondent has threatened to file an infringement action against Petitioner based on Petitioner’s use of the BIOWORLD PRODUCTS mark.⁴ These allegations are sufficient to allege Petitioner’s entitlement to a statutory cause of action. *See Miller v. Miller*, 105 USPQ2d 1615, 1618-19 (TTAB 2013); *Ipcó Corp. v. Blessings Corp.*, 5 USPQ2d 1974, 1977 (TTAB 1988).

In view of the foregoing, Respondent’s motion to dismiss is **denied** with respect to Petitioner’s entitlement to a statutory cause of action.

B. “Void Because of The Prior Use of the Mark”

In its amended petition to cancel, Petitioner asserts a claim that Respondent’s “registration is void because of the prior use of the mark,”⁵ which is not a recognized cause of action. To the extent Petitioner is attempting to assert a claim of likelihood of confusion, the amended petition to cancel fails to state a valid claim. To allege a valid ground for cancellation under Section 2(d) of the Trademark Act, Petitioner

³ 13 TTABVUE 22-23, motion to dismiss.

⁴ 11 TTABVUE 8, amended petition to cancel ¶¶ 19-20.

⁵ 11 TTABVUE 9, amended petition to cancel, Count I.

must allege that it has valid proprietary rights that are prior to those of Respondent, or that it owns a registration for a mark that so resembles Respondent's mark as to be likely to cause confusion. *See* 15 U.S.C. § 1052(d); *Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40 (CCPA 1981).

There is no allegation in the amended petition to cancel that Petitioner has proprietary rights that are prior to those of Respondent. Rather, Petitioner alleges that Phillip Barnes and his predecessors in interest have prior use of the mark and that Petitioner obtained an exclusive license to use the mark from Phillip Barnes in November 2020.⁶ In its response to the motion to dismiss, Petitioner also argues that its claim of likelihood of confusion is based solely on the purported license obtained from Phillip Barnes in 2020 and that Petitioner "is asserting Phillip Barnes' rights, not those of [Petitioner]."⁷

A licensee cannot plead or claim priority based on the licensor's use of the licensed mark. *Moreno v. Pro Boxing Supplies, Inc.*, 124 USPQ2d 1028, 1036 (TTAB 2017) (holding that while a licensor can rely on its licensee's use to establish priority, "a mere licensee, cannot rely on [its] licensor's use to prove priority."). Accordingly, Petitioner has not pleaded priority and has therefore failed to state a cognizable claim of likelihood of confusion.

In view of the foregoing, Respondent's motion to dismiss is **granted** with respect to the claim of likelihood of confusion.

⁶ *Id.* at 6, amended petition to cancel ¶ 12.

⁷ 15 TTABVUE 7, 13.

C. Lack of Ownership

To the extent Petitioner is asserting a claim that Respondent is not the rightful owner of the mark,⁸ the amended petition to cancel remains unclear. Petitioner pleads that the BIOWORLD PRODUCTS mark was first used by Advanced BioTech Products, Inc. in 1991, but that Advanced BioTech Products, Inc. filed for bankruptcy in 1999, at which point, Advanced BioTech Products, Inc.'s trademark rights in the BIOWORLD PRODUCTS mark became the property of the bankruptcy trustee.⁹ Petitioner also pleads that Respondent was not incorporated until 2000 and Respondent did not acquire any rights through the bankruptcy proceeding.¹⁰ Petitioner pleads that because Respondent claims a first use date of 1989 in its underlying application, Respondent “is claiming to be the owner of a purported trademark previously used by Advanced BioTech Products, Inc.”¹¹ In its response to the motion to dismiss, Petitioner argues that Respondent cannot be the owner of “the **same** [mark] that existed prior to the 1999 bankruptcy of its ‘predecessor’ entity,” because Respondent did not acquire any trademark rights through bankruptcy.¹²

Only the owner of a mark may file a use-based application for registration of the mark. *See* 15 U.S.C. § 1051(a). *Great Seats, Ltd. v. Great Seats, Inc.*, 84 USPQ2d 1235, 1239 (TTAB 2007) (“[If] the [person] filing the application is not the owner of the mark

⁸ 11 TTABVUE 10, amended petition to cancel, Count II.

⁹ 11 TTABVUE 3-4, amended petition to cancel ¶¶ 2-3.

¹⁰ *Id.*

¹¹ *Id.*, amended petition to cancel ¶ 31.

¹² 15 TTABVUE 17 (emphasis added).

as of the filing date, the application is void *ab initio*.”). Rather than alleging that Respondent was not the owner of the mark as of the 2018 filing date of the underlying application, however, Petitioner appears to be alleging that Respondent was not the owner of the mark as of the claimed date of first use, 1989. These allegations do not support a claim that Respondent is not the owner of the mark.

Additionally, the amended petition to cancel contains convoluted factual background and allegations that are unclear or contradictory. Petitioner appears to allege that Phillip Barnes is the rightful owner of the mark and that Petitioner is Phillip Barnes’ exclusive licensee, while at the same time alleging that the rightful owner of the mark is the trustee in the bankruptcy of Advanced BioTech Products, Inc.¹³ Although a plaintiff may make allegations in the alternative, the pleading must do so clearly and in a manner sufficient to provide fair notice to the defendant of the nature of the claims. Petitioner has not done so here.

In view of the foregoing, Respondent’s motion to dismiss is **granted** with respect to the claim of lack of ownership.

Notwithstanding the foregoing, Petitioner is provided time as set forth below in which to amend its claim of lack of ownership.

¹³ Compare 11 TTABVUE 5, 9, amended petition to cancel ¶¶ 9, 23 (“On October 12, 2012, the BioWorld Products trademark was transferred from Diane Barnes to Phillip Barnes as a gift” and “[Petitioner] is the exclusive licensee of Phillip Barnes...”) with 11 TTABVUE 11, amended petition to cancel ¶ 11 (“[T]hat trademark ... is owned by the trustee in bankruptcy of Advanced BioTech Products, Inc.’s bankruptcy estate.”).

D. Fraud

To assert a viable claim of fraud, a party must allege with particularity, rather than by implied expression, that the defending party knowingly made a false, material representation in the procurement of, maintenance of, or renewal of a registration with the intent to deceive the USPTO. *See In re Bose Corp.*, 580 F.2d 1240, 91 USPQ2d 1938, 1942 (Fed. Cir. 2009). 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 & W. Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478-70 (TTAB 2009).

Fraud in procuring or maintaining a trademark registration occurs when an applicant for registration or a registrant in a declaration of use or a renewal application knowingly makes specific false, material representations of fact in connection with an application to register or in a post-registration filing, with the intent of obtaining or maintaining a registration to which it is not entitled. Although “knowledge” and “intent” may be averred generally under Fed. R. Civ. P. 9(b), intent to deceive is a required element of a fraud claim which must be pleaded with sufficient particularity. *See Exergen Corp. v. Wal-Mart Stores Inc.*, 91 USPQ2d 1656, 1667 (Fed. Cir. 2009).

Petitioner’s fraud claim is based, in part, on an allegation that Respondent’s claimed date of first use was false.¹⁴ As previously stated in the Board’s February 19,

¹⁴ 11 TTABVUE 11, amended notice of opposition ¶ 31; 15 TTABVUE 18 (“Count III alleges (1) [Respondent] represented in its registration that its first use in commerce was ‘at least as early as 01/20/1989’ (FAPC, ¶ 35); (2) this statement was knowingly false...”).

2021 order, an allegation that a claimed date of first use is false is insufficient to support a claim of fraud. *See* 15 U.S.C. § 1051(a). “[I]f the mark was in use in commerce as of the filing date, then the claimed date of first use, even if false, does not constitute fraud, because the first use date is not material to the Office’s decision to approve a mark for publication.” *Hiraga v. Arenai*, 90 USPQ2d 1102, 1107 (TTAB 2009).

In its response to the motion to dismiss, Petitioner argues that its fraud claim is also based, in part, on an allegation that Respondent falsely declared in its underlying application that it was not aware of any other third parties entitled to use the mark.¹⁵ In order to state a claim of fraud based on an allegation that the declaration or oath in a defendant’s application for registration was executed fraudulently because there was another use of the same or a confusingly similar mark at the time the oath was signed, a plaintiff must allege particular facts, which if proven at trial, would establish that:

- (1) There was in fact another use of the same or a confusingly similar mark at the time the oath was signed;
- (2) The other user had legal rights superior to the defendant’s;
- (3) The defendant knew that the other user had rights in the mark superior to the defendant’s, and either believed that a likelihood of confusion would result

¹⁵ 15 TTABVUE 18-19.

from the defendant's use of its mark or had no reasonable basis for believing otherwise; and

- (4) Defendant, in failing to disclose these facts to the USPTO, intended to procure a registration to which it was not entitled.

Qualcomm Inc. v. FLO Corp., 93 USPQ2d 1768, 1770 (TTAB 2010); *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1205 (TTAB 1997).

In its amended petition to cancel, Petitioner pleads that Respondent knew that "BioWorld Products, Inc., BioWorld Products, LLC and/or Diane Barnes" had rights in the BIOWORLD PRODUCTS mark, that Respondent knew Petitioner was using the BIOWORLD PRODUCTS mark for the same goods, and that Respondent "intended to deceive the USPTO into believing that there were no other businesses using the identical trademark on the identical products."¹⁶ Petitioner has not alleged that Respondent knew that another user had superior rights in the mark and either believed that a likelihood of confusion would result or had no reasonable basis for believing otherwise. Petitioner has therefore failed to plead an adequate claim of fraud. In view of the foregoing, Respondent's motion to dismiss is **granted** with respect to the fraud claim, subject to the right to replead, as set forth below.

III. Leave to Replead and Alternative Motion for Summary Judgment

Petitioner is allowed until **twenty days** from the date of this order in which to file and serve a second amended petition to cancel that properly pleads a valid claim

¹⁶ 11 TTABVUE 13, Amended petition to cancel ¶¶ 37-39.

of lack of ownership or fraud, if justified and appropriate, failing which, the petition to cancel will be denied with prejudice in its entirety.

In turn, Respondent is allowed until **twenty days** from the date of service of the second amended petition to cancel, if any, in which to file and serve an answer or otherwise respond to the amended pleading.

Inasmuch as we find that the amended petition to cancel fails to state a legally sufficient ground for cancellation, we do not reach Respondent's alternative motion for summary judgment on claim and issue preclusion.

IV. Schedule

Proceedings herein are resumed. Consistent with the time set to replead, dates are reset as follows:

Deadline for Discovery Conference	10/26/2021
Discovery Opens	10/26/2021
Initial Disclosures Due	11/25/2021
Expert Disclosures Due	3/25/2022
Discovery Closes	4/24/2022
Plaintiff's Pretrial Disclosures Due	6/8/2022
Plaintiff's 30-day Trial Period Ends	7/23/2022
Defendant's Pretrial Disclosures Due	8/7/2022
Defendant's 30-day Trial Period Ends	9/21/2022
Plaintiff's Rebuttal Disclosures Due	10/6/2022
Plaintiff's 15-day Rebuttal Period Ends	11/5/2022
Plaintiff's Opening Brief Due	1/4/2023
Defendant's Brief Due	2/3/2023
Plaintiff's Reply Brief Due	2/18/2023
Request for Oral Hearing (optional) Due	2/28/2023

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). 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).

TIPS FOR FILING EVIDENCE, TESTIMONY, OR LARGE DOCUMENTS

The Board requires each submission to meet the following criteria before it will be considered: 1) pages must be legible and easily read on a computer screen; 2) page orientation should be determined by its ease of viewing relevant text or evidence, for example, there should be no sideways or upside-down pages; 3) pages must appear in their proper order; 4) depositions and exhibits must be clearly labeled and numbered – use separator pages between exhibits and clearly label each exhibit using sequential letters or numbers; and 5) the entire submission should be text-searchable. Additionally, submissions must be compliant with Trademark Rules 2.119 and 2.126. Submissions failing to meet all of the criteria above may require re-filing. **Note:** Parties are strongly encouraged to check the entire document before filing.¹⁷ The Board will not extend or reset proceeding schedule dates or other deadlines to allow

¹⁷ To facilitate accuracy, ESTTA provides previews of each page before submitting.

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time to re-file documents. For more tips and helpful filing information, please visit the [ESTTA help](#) webpage.