

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

KURT M. MARKVA,
Petitioner,
V.

ENTREPRENEUR MEDIA, INC.,
Registrant.

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Cancellation No. 92/043,579

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TRADEMARK TRIAL AND APPEAL BOARD
INVESTMENT OFFICE
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PETITIONER'S OPPOSITION TO
ENTREPRENEUR MEDIA'S MOTION TO DISMISS

Pursuant 37 CFR 2.127(e), Petitioner, Kurt M. Markva ("Markva"), hereby responds to oppose Registrant's motion to dismiss under Fed. R. Civ. P. 12(b) that is to be treated as a motion for summary judgment, and based on the following, Markva requests the Board to deny Registrant's motion for summary judgment and to allow the proceedings to continue to completion.

Introduction

In its motion to dismiss, Registrant alleges that the Petitioner "is associated with [Scott] Smith [without proof], quickly started a new 'business' and crafted a copycat trademark application in Class 35" as if this petition was prepared on behalf of Scott Smith. Registrant alleges that Petitioner is an intermeddler and recounts Smith's litigation with Registrant in the U.S. District Court for the Central District of California. Registrant urges the Board to find this court decision as res judicata against Petitioner in this proceeding. That since Smith lost his litigation with Registrant, no one else in America can challenge the Registrant's genericness/descriptiveness of ENTREPRENEUR is ludicrous.

As shown below, Petitioner became a self-employed entrepreneur in February 2004 after

being employed on Capitol Hill in Washington, D.C. for 11 and half years, and working for over a year with a well-known public relations firm. Now Petitioner is sole principal of a Virginia LLC handling government resources and intellectual property matters on behalf of his entrepreneurial clients. Petitioner is in a position to have a right to use the generic/descriptive word "entrepreneur" with respect to his business, and to file an intent-to-use application for registration of his proposed trademark ENTREPRENEURGR-IP.

Opposition to Registrant's Motion to Dismiss

In determining whether to grant a motion to dismiss under Federal Rule 12(b)(6), the Board primarily considers the allegations in the petition to cancel, matters of public record, orders, items appearing in the record of the case, and exhibits attached to the petition. *Hal Roach Studios v. Richard Feiner & Co.*, 896 F.2d 1542, 1555 n. 19 (9th Cir. 1990); *Emrich v. Touche Ross & Co.*, 846 F.2d 1190, 1198 (9th Cir. 1987); *Mack v. South Bay Beer Distributors, Inc.*, 798 F.2d 1279, 1282 (9th Cir. 1986). The petition should be construed in the light most favorable to Petitioner, and its allegations are taken as true. *Scheuer*, 416 U.S. at 237.

For Registrant to prevail on a motion to dismiss under Federal Rule of Civil Procedure 12(b)(6), it must appear beyond doubt that Petitioner can prove no set of facts in support of his claim which would entitle him to relief. *Conley v. Gibson*, 355 U.S. 41, 45-46 (1957); *Cervantes v. City of San Diego*, 5 F.3d 1273, 1274 (9th Cir. 1993). The purpose of a motion under Federal Rule 12(b)(6) is to test the formal sufficiency of the statement of the claim for relief in the petition to cancel. *Rutman Wine Co. v. E. & J. Gallo Winery*, 829 F.2d 729, 738 (9th Cir. 1987). It is not a procedure for resolving a contest about the facts or the merits of the case. In reviewing the sufficiency of the

petition to cancel, the issue is not whether Petitioner will ultimately prevail but whether Petitioner is entitled to offer evidence to support the claims asserted. *Scheuer v. Rhodes*, 416 U.S. 232, 236, 94 S.Ct. 1683, 40 L.Ed.2d 90 (1974).

In determining whether or not a litigant before the Board has stated a claim upon which relief can be granted, the facts alleged in the petition are assumed to be true. *Stanspec Co. v. American Chain & Cable Co.*, 531 F.2d 563, 566, 189 USPQ 420, 422 (CCPA 1976) (petition for cancellation of a registered mark). Dismissal is appropriate "if it is clear that no relief could be granted under any set of facts that could be proved consistent with the allegations." *Abbott Labs. v. Brennan*, 952 F.2d 1346, 1353, 21 USPQ2d 1192, 1198 (Fed. Cir. 1991) (citations and internal quotations omitted).

Requirements for Petition to Cancel

Section 14 of the Lanham Act, which provides for cancellation to the registration of a mark, provides in relevant part as follows:

A petition to cancel registration of a mark, stating the grounds relied upon, may . . . be filed . . . by any person who believes that he is or will be damaged by the registration of a mark on the principal register
15 U.S.C. § 1064 (1994)

Section 14 has been interpreted as requiring a cancellation petitioner "to show (1) that it possesses standing to challenge the continued presence on the register of the subject registration and (2) that there is a valid ground why the registrant is not entitled under law to maintain the registration." *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 1026, 213 USPQ 185, 187 (CCPA 1982). The standing requirement is based on the statutory requirement that a cancellation petitioner must believe that "he is or will be damaged by the registration" and cases defining the scope of this language. *See id.* at 1028-29, 213 USPQ at 189; *cf. Jewelers Vigilance Comm.*, 823

F.2d at 492, 2 USPQ2d at 2023 (noting that “an opposer’s right-or standing-to bring an opposition proceeding flows from” Section 13’s requirement that such a party believes that he would be damaged by the registration). An opposer’s allegation of damage to his business was sufficient to establish standing. *Young v. AGB*, 47 USPQ.2d 1752 (Fed. Cir. 1998).

The “valid ground” that must be alleged and ultimately proved by a cancellation petitioner must be a “statutory ground which negates the appellant’s right to the subject registration.” *Lipton* , 670 F.2d at 1030, 213 USPQ at 190 (emphasis added). Although cancellation is most often premised on the grounds listed in Section 2 of the Lanham Act, *see* 15 U.S.C. § 1052 (1994), other grounds which negate entitlement to maintain a registration also exist in the Lanham Act. *See, e.g.* , *Lipton* , 670 F.2d at 1031, 213 USPQ at 191 (entertaining a cancellation petition premised on when the registered mark becomes the generic name for the goods or services under Section 14(3), 15 U.S.C. § 1064(3) (1994)).

Descriptiveness and Genericness Pleaded

Petitioner pleads that Registrant’s mark ENTREPRENEUR should be cancelled on the valid ground that it is descriptive and generic when applied to its advertising and business services over the Internet to the same target group of entrepreneurs for both parties. Petitioner also pleads that Registrant did not prove that its mark had acquired distinctiveness despite its descriptiveness; that Petitioner has the equal right to use “entrepreneur” in his mark because it is descriptive/generic as applied to his services; and that he will be irreparably damaged in his business and goodwill (Petition to Cancel, paras. 3, 20-23). The petition is replete with pleaded evidence that shows “entrepreneur” to be descriptive or generic of the entrepreneur target group for the parties’ services.

Despite Petitioner's pleading of descriptiveness and genericness of its single word mark, Registrant bases its motion on the alleged failure of Petitioner to state a claim upon which relief can be granted, and states that "Markva lacks standing to bring this cancellation petition because he does not plead a real commercial interest in his own mark or a reasonable basis for his belief that he would be damaged by the existence of EMI's" registrations. Registrant states that "Markva's petition fails to state sufficient ground for canceling EMI's mark."

The treatise, *McCarthy on Trademarks*, Section 20.50 states:

For a petitioner who alleges that the registered term is descriptive, "damage" is presumed or inferred if petitioner is one who has a sufficient interest in using the descriptive term in its business. To obtain standing to cancel on the ground that the registered mark is descriptive or generic, petitioner must plead and prove that the registration is inconsistent with petitioner's equal right to use the term on similar goods as a descriptive or generic designation. However, it is not necessary that petitioner actually use the term in order to challenge on the basis of descriptiveness or genericness. All that is necessary is that petitioner be in a position to have a right to use that term. (Case citations omitted.)

The "Real Interest" Test

An opposer is required to show that he has a "real interest" in the outcome of a proceeding in order to have standing. *See, e.g., Universal Oil Prod. Co. v. Rexall Drug & Chem. Co.*, 463 F.2d 1122, 1123, 174 USPQ 458, 459 (CCPA 1972) ("Standing, within the meaning of § 13, is found when the opposer establishes a real interest in the proceeding." (internal citation omitted)); *Tanners' Council of Am., Inc. v. Gary Indus. Inc.*, 440 F.2d 1404, 1406, 169 USPQ 608, 609 (CCPA 1971) ("[A]n opposition may be filed by anyone having a real interest.") This "real interest" requirement stems from a policy of preventing 'mere intermeddlers' who do not raise a real controversy from bringing oppositions or cancellation proceedings in the PTO. *See Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 1028, 213 USPQ 185, 189 (CCPA 1982); *see also Tanners' Council*, 440

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