

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
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Arlington, Virginia 22202-3513

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Mailed: April 29, 2004

Cancellation No. 92042101

Hawaiian Moon, Inc.

v.

Rodney Doo

Before Simms, Seeherman, and Holtzman, Administrative  
Trademark Judges.

By the Board.

Hawaiian Moon, Inc. ("petitioner") has petitioned to  
cancel Registration No. 2,483,280 owned by Rodney Doo  
("respondent"), for the mark HAWAIIAN MOON for "clothing and  
sportswear, namely, shirts, shorts, skirts, dresses, caps,  
swimwear and sweatshirts."<sup>1</sup> Petitioner claims, inter alia,  
that on October 4, 2000, respondent filed a statement of  
use, asserting use of the mark on all of the seven goods  
identified in the registration,<sup>2</sup> when he had not used the

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<sup>1</sup> Registration No. 2,483,280 issued on August 28, 2001 and claims  
first use and first use in commerce on August 28, 2000.

<sup>2</sup> Application Serial No. 75732172, which matured into  
Registration No. 2,483,280, claimed an intent-to-use the mark on  
"clothing." In an examiner's amendment dated October 22, 1999,  
respondent amended the identification of goods to "clothing and

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mark on or in connection with six of the seven items, i.e., on sweatshirts, caps, dresses, skirts, shorts, or shirts<sup>3</sup>; and that the "signing of the Statement of Use was fraud."

On September 22, 2003, respondent filed an answer which denies the salient allegations of petitioner's claim of fraud.

This case now comes up on petitioner's motion for summary judgment (filed December 1, 2003) on the question of fraud, which has been fully briefed by the parties.

Petitioner maintains that respondent admitted in his answers to petitioner's Requests for Admissions Nos. 21 - 26 that respondent had not sold shorts, skirts, dresses, caps, swimwear and sweatshirts in commerce under the trademark HAWAIIAN MOON at the time he signed the statement of use<sup>4</sup>;

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sportswear, namely shirts, shorts, skirts, dresses, caps, swimwear and sweatshirts."

<sup>3</sup> The statement of use - which Rodney Doo signed on September 25, 2000 - states in relevant part that "[t]he owner is using the mark in commerce on or in connection with all goods and/or services listed in the application or Notice of Allowance"; and concludes with the following declaration:

The undersigned being hereby warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 USC § 1001, and that such willful false statements and the like may jeopardize the validity of this document, declares that he/she is properly authorized to execute this document on behalf of the Owner; and all statements made of his/her own knowledge are true and that all statements made on information and belief are believed to be true."

The examining attorney accepted the statement of use on April 30, 2001.

<sup>4</sup> Respondent sought to amend the registration to cancel "shorts, skirts, dresses, caps, swimwear and sweatshirts" in a request for

that "[i]t is apparent from the undisputed facts in this case that Doo acted with reckless disregard for the truth, when he signed the Statement of Use that mis-identified the goods in commerce"; and that "the inclusion of several goods in the statement of use not actually used by Doo constitutes a material misrepresentation" amounting to fraud.

Petitioner also relies on the Board's decision in *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 USPQ2d 1205 (TTAB 2003), in which the Board found fraud in connection with the filing of a statement of use identifying the goods as "medical devices, namely, neurological stents and catheters," when no use had been made of the mark on stents. The Board stated the following:

The undisputed facts in this case clearly establish that respondent knew or should have known at the time it submitted its statement of use that the mark was not in use on all of the goods. Neither the identification of goods nor the statement of use itself were lengthy, highly technical, or otherwise confusing, and the President/CEO who signed the document was clearly in a position to know (or to inquire) as to the truth of the statements therein.

Respondent's explanation for the misstatement (which we accept as true) -- that the inclusion of stents in the notice of allowance was "apparently overlooked" -- does nothing to undercut the conclusion that respondent knew or should have known that its statement of use was materially incorrect. Respondent's knowledge that its mark was not in use on stents -- or its reckless

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correction of registration filed October 3, 2003. On December 11, 2003, the Board deferred consideration of respondent's request for correction until final decision, or until disposal of the case on summary judgment.

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disregard for the truth -- is all that is required to establish intent to commit fraud in the procurement of a registration.

As evidence in support of its motion, petitioner has filed the declaration of petitioner's president, Aaron Chan, who enclosed a copy of respondent's answer, interrogatory responses and responses to petitioner's requests for admissions. Mr. Chan also stated, in support of petitioner's standing to bring this cancellation proceeding, that petitioner has been selling HAWAIIAN MOON shirts, skirts and dresses and other clothing items; and that "[s]ince well before October 4, 2002, Petitioner has operated a retail clothing store under the service mark 'HAWAIIAN MOON.'"

In response to petitioner's motion, respondent did not file any evidence. Rather respondent relies on the arguments of his attorney, who explained in his opposing brief that the application on which the registration is based listed all goods which respondent makes and sells using his varied trademarks; that respondent sent labels to his attorney "[w]hen the time came for filing the amendment to allege use [sic]"; and that:

It was understood that the labels were attached to all of the goods which Rodney Doo makes and sells. An amendment to allege use was prepared and sent to Rodney Doo, indicating use of the mark on all goods in the application, without listing the goods. When Rodney Doo saw the amendment to allege use, he did not have a copy of the application before him. He assumed that the

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amendment to allege use was in order and signed and returned the amendment.

Respondent adds that petitioner "has never cited evidence which indicates that the statement by Rodney Doo was knowingly false or fraudulent"; and that Mr. Chan's declaration "is not evidence of fraud or fraudulent representations on the part of Rodney Doo."

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(c). The purpose of summary judgment is to avoid an unnecessary trial where additional evidence would not reasonably be expected to change the outcome. See *Pure Gold, Inc. v. Syntex (U.S.A.), Inc.*, 739 F.2d 624, 222 USPQ 741 (Fed. Cir. 1984).

Petitioner, as the party moving for summary judgment, has the burden of demonstrating the absence of any genuine issue of material fact and that it is entitled to summary judgment as a matter of law. See *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986); and *Sweats Fashions Inc. v. Pannill Knitting Co. Inc.*, 833 F.2d 1560, 4 USPQ2d 1793 (Fed. Cir. 1987). The evidence must be viewed in a light most favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor. See *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir.

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1993); and *Opryland USA Inc. v. Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992).

After considering the evidence of record and the arguments of the parties, we find that petitioner is entitled to summary judgment in this case.

*Petitioner's standing*

In order to prevail, petitioner must establish not only a valid ground for cancellation, but must also prove its standing. *Medinol, supra*. We find that there are no genuine issues of material fact as to petitioner's standing in view of Mr. Chan's statements in his declaration regarding petitioner's standing (which respondent has not contested).

*No genuine issue of material fact relating to petitioner's claim of fraud*

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. *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ2d 1483 (Fed. Cir. 1986). To constitute fraud on the U.S. Patent and Trademark Office, the moving party therefore must establish that (a) the statement in its declaration is false, (b) the party making the statement knew, or should have known, that the

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statement is false, and (c) the statement is a material misrepresentation.

It is undisputed that respondent filed an intent-to-use application reciting "clothing" as his intended goods, and subsequently amended the identification of goods to "clothing and sportswear, namely, shirts, shorts, skirts, dresses, caps, swimwear and sweatshirts." It is also undisputed that at the time respondent filed his statement of use, he had not used the mark on sweatshirts, caps, dresses, skirts, shorts or swimwear, but stated in the statement of use that he had used the mark on all the goods listed in the application. Thus, there is no genuine issue of material fact that respondent's statements regarding use of his mark on all the claimed goods in his application (as set forth in the statement of use) were false. There is also no genuine issue of material fact that such statements were material because but for the false statements of use of the mark, the U.S. Patent and Trademark Office would not have allowed the application. See *American Hygienic Laboratories, Inc. v. Tiffany & Co.*, 12 USPQ2d 1979 (TTAB 1989); and McCarthy, J. Thomas, *McCarthy on Trademarks*, § 31:67 (4<sup>th</sup> ed. 2004).

In order to hold for petitioner, we therefore need only find that respondent knew or should have known that his statements regarding use in the statement of use were false

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or misleading. We are guided by *Medinol, supra*, where we stated that a respondent's knowledge that its mark was not used on certain goods, or its reckless disregard for the truth, is all that is required to establish an intent to commit fraud in the procurement of a registration. We also stated in *Medinol* that we need not inquire about respondent's subjective intent; we need only inquire into the objective manifestations of that intent.<sup>5</sup>

In this case, as in *Medinol*, "[n]either the identification of goods nor the statement of use itself were lengthy, highly technical, or otherwise confusing ..." Also, like the respondent in *Medinol*, respondent in this case signed a declaration in connection with his statement of use warning that "willful false statements and the like are punishable by fine or imprisonment, or both, ... and that such willful false statements and the like may jeopardize the validity of this document." Statements made in such a document accompanied with such a warning "are - or should be - investigated thoroughly prior to signature and submission to the USPTO." *Id.* Despite the warning of a fine or imprisonment, respondent evidently was not prodded into making an inquiry to see if the statement of use was accurate.

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<sup>5</sup> Thus, respondent's contention that there must be evidence that "the statement by Rodney Doo was knowingly false or fraudulent" is incorrect.

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Respondent's attorney explains that respondent did not have a copy of the application "before him" when he reviewed the statement of use. (The statement of use states that the "owner is using the mark in commerce on or in connection with all goods and/or services listed in the application or Notice of Allowance"; thus the application or Notice of Allowance would be needed to know the goods referenced in the statement of use.) Additionally, respondent's attorney states that respondent "assumed that the amendment to allege use was in order and signed and returned the amendment." Respondent's attorney's arguments, even if taken as evidence which we may consider,<sup>6</sup> fail to raise a genuine issue of material fact that respondent knew or should have known of the falsity of his statements in the statement of use. Respondent in this case is the owner of the mark and hence is the one who dictates on what and how the mark would be used. See answers to petitioner's Interrogatory Nos. 11 - 12, and 17. He thus had to have known that his mark had only been used on shirts at the time he was signing the statement of use. By failing to consult the application or Notice of Allowance to determine the goods listed in the application, yet being warned that the penalty for false statements in the statement of use is a fine or imprisonment or both, respondent had reckless disregard for the truth of

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<sup>6</sup> See discussion regarding respondent's lack of evidence, *infra*.

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the statements regarding those goods on which he had used the mark.

Our conclusion that respondent had reckless disregard for the truth is reinforced by the fact that respondent failed to act to correct his registration, shortly after his registration issued. The registration clearly lists seven items in the identification of goods and a first use and first use in commerce date. However, respondent did not file a request for correction of the registration until well after petitioner filed the petition to cancel in this case.

In view of the foregoing, and in view of our holding in *Medinol*, we find that respondent made a material misrepresentation of fact in his statement of use which he knew or should have known to be false or misleading. Hence, there are no genuine issues of material fact in connection with petitioner's motion and we find that respondent has committed fraud in procuring his registration by filing a false statement of use.

*Respondent's failure to offer any evidence*

When a moving party's motion is supported by evidence sufficient, if unopposed, to demonstrate that there is no genuine issue of material fact and that the moving party is entitled to judgment, the nonmoving party may not rest on mere denials or conclusory assertions, but rather must offer countering evidence, by affidavit or as otherwise provided

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in Fed. R. Cir. P. 56, showing that there is a genuine factual dispute for trial. See Fed. R. Civ. P. 56(e), and *Octocom Systems Inc. v. Houston Computer Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783 (Fed. Cir. 1990). In this case, respondent has not offered any evidence in opposition to the summary judgment motion. Petitioner's evidence in support of its motion is sufficient to indicate that there is no genuine issue of material fact and that petitioner is entitled to judgment in connection with its claim of fraud. The unsupported statements made by respondent's attorney in his opposing brief amount to mere denials. Even if respondent's attorney had supported his statements with an affidavit or declaration, they would have been insufficient to raise a genuine issue. Respondent's attorney could not testify as to what respondent assumed, or the reasons why respondent believed it was acceptable to sign the statement of use. Further, as we have already stated, even if respondent had himself submitted an affidavit, such statements would have been insufficient to raise a genuine issue.

*Conclusion*

Petitioner's summary judgment motion on its claim of fraud is granted, and summary judgment is entered in petitioner's favor on its claim of fraud.

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We assume, in view of our granting of the petition for cancellation on the ground of fraud, that petitioner does not wish to go to trial on any other grounds for cancellation set forth in the petition to cancel.

Accordingly, the registration will be forwarded to the Office of the Commissioner of Trademark for cancellation in due course. If petitioner does wish to pursue any other grounds for cancellation, it should notify the Board within **thirty days** of the mailing of this decision.