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UNITED STATES: TTAB Cancels Registrations Based on Fraud in Statements of Use

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In a precedential decision, the Trademark Trial and Appeal Board (TTAB) granted a motion for summary judgment filed by Herbaceuticals, Inc. (HCI) and canceled four trademark registrations owned by Xel Herbaceuticals, Inc. (Xel) based on false material representations made in statements of use. *Herbaceuticals, Inc. v. Xel Herbaceuticals, Inc.*, Cancellation No. 92045172 (T.T.A.B. Mar. 7, 2008).

HCI instituted a proceeding to cancel six single-class registrations owned by Xel for variations of the trademark XEL HERBACEUTICALS. It alleged, among other grounds, fraudulent representations in the statements of use signed by Xel's attorney.

The TTAB found that with regard to four of the registrations, Xel had fraudulently included in the statements of use goods that were not being sold by Xel and that Xel's counsel "knew or should have known" at the time he signed the statements of use that the mark was not being used in connection with the referenced goods. The intent of the person signing the statement of use is not material to the question of fraud, the TTAB said, and proof of a specific intent to commit fraud is not required. Fraud occurs when an applicant or registrant makes a false material representation that it knew or should have known was false.

The TTAB dismissed Xel's argument that partial cancellation was the appropriate remedy, stating that partial cancellation would merely place Xel in the same position it would have been in had it filed accurate statements of use. According to the TTAB, "if fraud can be shown in the procurement of a registration, the registration is void in the international class or classes in which fraud based on nonuse has been committed."

Although each of the applications at issue in this case was a single-class application, the TTAB implied that if fraud is found in a multiclass application or registration, the application or registration will be void only with respect to the international class or classes in which the fraud was committed.

Although every effort has been made to verify the accuracy of items carried in the INTA Bulletin, readers are urged to check independently on matters of specific concern or interest.

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