United States District Court
Northern District of California

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

CHARLES BERTINI,

Plaintiff,

v.

APPLE INC.,

Defendant.

Case No.: 4:24-CV-03437-YGR

ORDER GRANTING IN PART AND DENYING IN PART MOTION TO DISMISS SECOND AMENDED COMPLAINT

Re: Dkt. No. 65

Before the Court is defendant Apple Inc.'s motion to dismiss plaintiff's second amended complaint. (Dkt. No. 64, Second Amended Complaint ("SAC").) Plaintiff brings claims against defendant for trademark abandonment and fraud on the United States Patent and Trademark Office ("USPTO"). Having carefully considered the papers submitted and the pleadings in this action, and for the reasons set forth below, the Court hereby **GRANTS IN PART AND DENIES IN PART** the motion to dismiss.[1]

I. BACKGROUND

This is this Court's second order on a motion to dismiss in this case. In summary, this case involves a long history of disputes between plaintiff and defendant involving use of the "APPLE" trademark for educational and entertainment services. Plaintiff alleges, as relevant here, facts to support claims of abandonment and fraud on the Trademark Trial and Appeal Board ("TTAB"). Thus, the SAC alleges:

On March 22, 2008, Apple applied to register the APPLE mark for various educational and entertainment services (the "Application"). (SAC ¶ 25.) After receiving two extensions of time to file a statement of use regarding its use of the APPLE mark, defendant filed a statement verifying that the mark was in use for those services on November 11, 2011. (*Id.* at ¶¶ 71, 100–102.) On

[1] Pursuant to Federal Rule of Civil Procedure 78(b) and Civil Local Rule 7-1(b), the Court finds this motion appropriate for decision without oral argument.

January 17, 2012, the USPTO issued a Registration Certificate (Reg. No. 4088195, the "APPLE Registration") (*Id.* ¶ 107.)

On June 5, 2016, plaintiff filed a trademark application to register APPLE JAZZ with the USPTO in Class 41 for a variety of entertainment services. (*Id.* ¶ 8.) The USPTO denied registration due to likelihood of confusion with Apple's mark, Apple Reg. 4088195. (*Id.*) On March 19, 2018, plaintiff filed a Petition to Cancel the APPLE Registration before the TTAB, alleging abandonment and fraud on the USPTO based on the Apple's statement of use. (*Id.* ¶¶ 9–10.) On April 11, 2019, after two amended complaints, the TTAB granted defendant's motion to dismiss plaintiff's fraud claims with prejudice. *Bertini v. Apple Inc.*, Cancellation No. 92068213, 18 TTABVUE 3 (T.T.A.B. April 11, 2019). On March 20, 2024, the TTAB rejected plaintiff's abandonment claim, finding that he had "not presented a prima facie case of abandonment." *Bertini v. Apple Inc.*, Cancellation No. 92068213, 2024 WL 1231233, at *13 (T.T.A.B. Mar. 20, 2024).

Plaintiff then filed suit in this Court on June 7, 2024. Defendant filed its first motion to dismiss on October 4, 2024. Plaintiff amended his complaint on October 23, and defendant filed a motion to dismiss that first amended complaint on November 6, 2024. This Court granted defendant's motion to dismiss on January 16, 2025, holding that plaintiff did not plead adequate facts supporting his abandonment claim or fraud on the trademark office claims but providing leave to amend. Plaintiff filed the SAC and this motion followed.

II. LEGAL STANDARD

A defendant may move to dismiss a complaint for failing to state a claim upon which relief can be granted under Federal Rule of Civil Procedure 12(b)(6). "Dismissal under Rule 12(b)(6) is appropriate only where the complaint lacks a cognizable legal theory or sufficient facts to support a cognizable legal theory." *Mendiondo v. Centinela Hosp. Med. Ctr.*, 521 F.3d 1097, 1104 (9th Cir. 2008). To survive a Rule 12(b)(6) motion, plaintiffs must plead "enough facts to state a claim to relief that is plausible on its face." *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007). A claim is facially plausible when a plaintiff pleads "factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *Ashcroft v. Iqbal*, 556

U.S. 662, 678 (2009). In reviewing the plausibility of a complaint, courts "accept factual allegations in the complaint as true and construe the pleadings in the light most favorable to the nonmoving party." *Manzarek v. St. Paul Fire & Marine Ins. Co.*, 519 F.3d 1025, 1031 (9th Cir. 2008). Nonetheless, courts do not "accept as true allegations that are merely conclusory, unwarranted deductions of fact, or unreasonable inferences." *In re Gilead Scis. Sec. Litig.*, 536 F.3d 1049, 1055 (9th Cir. 2008).

Federal Rule of Civil Procedure 9(b) heightens these pleading requirements for all claims that "sound in fraud" or are "grounded in fraud." *Kearns v. Ford Motor Co.*, 567 F.3d 1120, 1125 (9th Cir. 2009) (citation omitted); Fed. R. Civ. P. 9(b) ("In alleging fraud or mistake, a party must state with particularity the circumstances constituting fraud or mistake."). The Ninth Circuit has interpreted Rule 9(b) to require that allegations of fraud are "specific enough to give defendants notice of the particular misconduct which is alleged to constitute the fraud charged so that they can defend against the charge and not just deny that they have done anything wrong." *Neubronner v. Milken*, 6 F.3d 666, 671 (9th Cir. 1993) (internal quotation omitted). A plaintiff must identify "'the who, what, when, where, and how' of the misconduct charged." *Kearns*, 567 F.3d at 1124 (9th Cir. 2009). "Any averments that do not meet that standard should be 'disregarded,' or 'stripped' from the claim for failure to satisfy Rule 9(b)." *Id.*

III. JUDICIAL NOTICE AND INCORPORATION BY REFERENCE

Defendant requests that the Court deem several documents incorporated by reference into plaintiff's complaint. (Dkt. No. 65 at 10-12.) Defendant requests in the alternative that the Court take judicial notice of the documents. (*Id.* at 11.)

Incorporation by reference "is a judicially created doctrine that treats certain documents as though they are part of the complaint itself." *Khoja v. Orexigen Therapeutics, Inc.*, 899 F.3d 988, 1002 (9th Cir. 2018). "The doctrine prevents plaintiffs from selecting only portions of documents that support their claims, while omitting portions of those very documents that weaken—or doom—their claims." *Id.* (citing *Parrino v. FHP, Inc.*, 146 F.3d 699, 706 (9th Cir. 1998)). A defendant "may seek to incorporate a document into the complaint 'if the plaintiff refers extensively to the document or the document forms the basis of the plaintiff's claim.'" *Id.* (quoting

Ritchie. Coto Settlement v. Eisenberg, 593 F.3d 1031, 1038 (9th Cir. 2010). The "mere mention of the existence of a document is insufficient to incorporate the contents of a document." *Id.*

The Court deems the following documents incorporated by reference because the documents form the basis of plaintiff's claims:

- The 2025 printout of a webpage for Apple TV in Australia listing a video titled "Beautiful Trauma Live: P!nk." (Dkt. No. 65-10.) The SAC includes a similar printout of this same webpage (SAC, Ex. 9), omitting certain parts of the webpage.
- The February 22, 2018 Post Registration Office Action. (Dkt. No. 65-5.) The SAC alleges that Apple committed fraud on the USPTO through its response to this Office Action. (FAC ¶¶ 121–142.)
- The August 21, 2018 Response to Office Action for Post-Registration Matters. (Dkt. No. 65-6.) This document forms the basis for plaintiff's Third Cause of Action for fraud on the USPTO. (SAC ¶¶ 121–142.)

The Court declines to deem defendant's remaining requested documents incorporated by reference because plaintiff does not refer extensively to the documents and the documents do not form the basis of the plaintiff's claim. The Court does, however, take judicial notice of the following documents because they are "generally known within the trial court's territorial jurisdiction" or "can be accurately and readily determined from sources whose accuracy cannot reasonably be questioned."[2] Fed. R. Evid. 201(b); *see also Reyn's Pasta Bella, LLC v. Visa USA, Inc.*, 442 F.3d 741, 746 n.6 (9th Cir. 2006) (taking judicial notice of docket filings in a prior case because they are "readily verifiable and, therefore, the proper subject of judicial notice").

- The docket from the underlying TTAB proceeding and from which plaintiff seeks review. (Dkt. No. 65-9.)
- The January 27, 2010 Notice of Publication. (Dkt. No. 65-2.)
- The May 11, 2010 Notice of Allowance. (Dkt. No. 65-3.)
- The December 13, 2011 Notice of Acceptance of the Statement of Use. (Dkt. No. 65-4.)
- The March 11, 2019 Notice of Acceptance of the Declaration of Use for the APPLE Registration. (Dkt. No. 65-8.)

The Court declines to incorporate by reference or take judicial notice of the following document, requested by defendant.

[2] Plaintiff does not dispute defendant's request that the Court take judicial notice of these documents, nor does he dispute that any documents are incorporated by reference. (*See generally* Dkt. No. 46.)

- Screenshot of a LinkedIn page for a putative Apple representative. (Dkt. No. 65-11.)

This screenshot is not incorporated by reference in the operative complaint because plaintiff does not refer extensively to the document and it does not form the basis of the plaintiff's claim. The Court cannot take judicial notice of it because it is subject to reasonable dispute. *See* Fed. R. Evid. 201(b).

IV. DISCUSSION

A. ABANDONMENT (COUNT I)

Defendant moves to dismiss plaintiff's first claim for trademark cancellation via abandonment, arguing that plaintiff does not sufficiently allege facts supporting non-use of the Apple trademark.

To successfully assert abandonment by nonuse, a party must show (1) nonuse of the mark and (2) intent not to resume its use. 15 U.S.C. § 1127 ("A mark shall be deemed to be 'abandoned' . . . [w]hen its use has been discontinued with intent not to resume such use."). "Nonuse for 3 consecutive years shall be prima facie evidence of abandonment." *Id.*

Here, plaintiff's SAC alleges sufficient facts to plausibly state a claim for abandonment. Plaintiff pleads that there are multiple potential 3-year timeframes in which defendant did not use the mark in commerce. More specifically, as alleged: *One*, Apple did not use the mark in commerce because the specimen Apple submitted in November, 2011 does not demonstrate use in commerce. (SAC ¶ 77a.) The mere use of the word "Apple" identifies the company and not the services associated with the mark at issue. (*Id.*) Plus, the specimen shows no direct association between the mark and services in violation of 37 C.F.R. § 2.56(b)(2). (*Id.* ¶ 77b.) *Two*, even if the November 2011 statement demonstrates use of the mark, that it does not demonstrate use of the mark beyond that date, and that there is no evidence of the mark being used again until, at best, May 31, 2015. (*Id.* ¶ 77c; 97.) *Three*, the two specimens filed by defendant in response to an audit by the USPTO in August 2018 do not show a direct association of the mark with the services at issue, in violation of 37 C.F.R. § 2.56(b)(2). (*Id.* at 77d.) *Four*, the specimen defendant filed with its combined declaration of use and incontestability in January 2018 demonstrates that "Apple" is used in reference to the company and not the services as well.

The Court finds that these allegations provide sufficient, and plausible, multiple three-year timeframes in which it is possible that Apple did not use the mark in commerce. *See* 15 U.S.C. § 1127 ("Nonuse for 3 consecutive years shall be prima facie evidence of abandonment.").

Defendant's arguments to the contrary do not persuade. Rather, they make factual arguments not proper in this procedural context. For instance, Apple responds that the November, 2011 specimen of use and the 2018 specimens establish use in commerce. (Dkt. No. 65 at 14-18.) The fact is disputed. Defendant next argues that the mark was offered under both a house mark (like "Apple") and a sub-brand (like "iTunes"), but this argument goes to the facts as well. (*Id.* at 15-16.) Defendant makes many similar factual arguments as to whether the specimens at issue demonstrate use in commerce, none of which are relevant. (*Id*. at 16-19.)[3]

Defendant also argues that "evidence that a mark was used following the three-year period overcomes [the presumption of abandonment] as it shows the trademark owner never intended to abandon the mark." (Dkt. No. 65 at 13 (citing *Crash Dummy Movie, LLC v. Mattel, Inc.*, 601 F.3d 1387, 1392 (Fed. Cir. 2010)).) Importantly, *Crash Dummy Movie* was not a decision on a motion to dismiss. 601 F.3d 1387, 1389 (Fed. Cir. 2010). That case was a direct appeal to the Federal Circuit under 15 U.S.C. section 1071(a). *Id.* Conversely, this case is brought under 15 U.S.C. section 1071(b), which allows for 12(b)(6) motions and the development of additional evidence. *Glendale Intern. Corp. v. U.S. Patent & Trademark Office*, 374 F. Supp. 2d 479, 484 n.7, (E.D. Va. 2005) ("The principal difference between challenging a TTAB decision through an appeal to the Federal Circuit and through a civil action in federal district court is that the latter route affords a party the opportunity to introduce new evidence in support of its claims."). In *Crash Dummy Movie*, the Federal Circuit "consider[ed] evidence and testimony" relevant to practices that occurred "before or after the three-year statutory period to infer [] intent to resume use during the

[3] Defendant argues that this Court, in its prior order granting its motion to dismiss, found that "it appears defendant used the marks as of November 11, 2011." (Dkt. No. 67 at 1.) Plaintiff's SAC now adequately addresses this deficiency by adding specific, nonconclusory, factual allegations that the November 11 specimen does not show use in commerce. (*See* SAC ¶ 77a-c.) Construing the pleadings in favor of plaintiff, this allegation is sufficient to survive defendant's 12(b)(6) motion.

three-year period." *Id.* at 1392. It is not yet proper to consider evidence and testimony, here, and so defendant's argument does not persuade.

Ultimately, Apple would have this Court construe the pleadings in the light most favorable to it. The Court will not. *See Manzarek* 519 F.3d at 1031.[4] The Court therefore **DENIES** defendant's motion to dismiss as to plaintiff's abandonment count.

B. FRAUD ON THE UNITED STATES PATENT AND TRADEMARK OFFICE (COUNTS II – IV)

Defendant argues that plaintiff fails to satisfy his Rule 9(b) burden because he fails to plead (i) a false representation regarding a material fact, (ii) knowledge or belief that the representation is false, and (iii) willful intent to deceive.

Rule 9(b)'s heightened pleading standard applies to plaintiff's fraud on the USPTO claims. *Chiron Corp. v. Abbott Lab'ys*, 156 F.R.D. 219, 220 (N.D. Cal. 1994).

> To succeed on a claim for cancellation based on fraud, a claimant must establish the following elements: 1) a false representation regarding a material fact; 2) the registrant's knowledge or belief that the representation is false; 3) the registrant's intent to induce reliance upon the misrepresentation; 4) actual, reasonable reliance on the misrepresentation; and 5) damages proximately caused by that reliance.

OTR Wheel Eng'g, Inc. v. W. Worldwide Servs., Inc., 897 F.3d 1008, 1019 (9th Cir. 2018). "Of course, [] because direct evidence of deceptive intent is rarely available, such intent can be inferred from indirect and circumstantial evidence." *In re Bose Corp.*, 580 F.3d 1240, 1245 (Fed. Cir. 2009).

Here, as with plaintiff's prior complaint, plaintiff does not satisfy the second and third prong of the test because he does not plead facts that defendant knew that their representation was false or that it intended to induce reliance on the misrepresentation. Although plaintiff alleges that "Apple willfully intended to deceive the USPTO," he again fails to include any facts supporting this assertion. *See* 4 McCarthy on Trademarks and Unfair Competition § 31:84 (5th ed.) ("[A]

[4] Apple also argues that plaintiff demonstrates a "misunderstanding of both the facts and trademark law." (Dkt. No. 65 at 15.) Such pontification is not necessary or helpful. Apple itself should know that it cannot argue the facts on a motion to dismiss, and yet it does so in contravention to basic procedural standards.

mere conclusory allegation that trademark registration rights were obtained or maintained by fraud is not sufficient.").

Plaintiff argues that his investigation yielded no evidence of the marks being used in commerce, however defendant submitted, and the USPTO accepted, specimens of use purporting to demonstrate use of the mark in commerce. While this Court's review is de novo and acceptance by the USPTO is not dispositive, it is unlikely that a party intended to deceive the USPTO by submitting specimens for their review. *See Zero Motorcycles, Inc. v. Pirelli Tyre S.p.A* 802 F.Supp. 2d 1078, 1088 (N.D. Cal. 2011), *rev'd and remanded on other grounds*, 517 F. App'x 589 (9th Cir. 2013) ("[T]he allegedly false statement with the exemplar undermines any assertion of a willful intent to deceive the PTO.").

Plaintiff responds that, in its approval process, the USPTO "mostly relies on" declarations, rather than specimens. Plaintiff provides no support for this argument, however, and even if true, the USPTO would nonetheless have the specimens to compare to the declarations. Finally, plaintiff states that defendant's intent to deceive can be inferred because the fact that its statements were prepared by experienced counsel. This argument does not persuade. The experience level of counsel does not show one way or another whether the counsel in question intended to deceive or had knowledge of falsity. Therefore, this pleading is not sufficient to establish facts for a claim, at least not at this juncture, and they are deemed dismissed.

The Court **GRANTS** defendant's motion without prejudice to possible amendment at a future date. Plaintiff may only amend the fraud claims, if discovery on the abandonment issue reveals evidence that defendant knowingly made a false representation to the USPTO about the specimens at issue, and that defendant intended to induce reliance upon that misrepresentation. Should discovery so reveal, plaintiff may bring a motion to amend.

V. CONCLUSION

Having carefully considered the papers submitted and the pleadings in this action, and for the reasons set forth below, the Court hereby **GRANTS IN PART AND DENIES IN PART** the motion to dismiss without prejudice.

Defendant shall file an answer to the first cause of action within fourteen (14) days of this order. The remaining claims are deemed dismissed.

A case management conference is hereby scheduled for **June 16, 2025** via videoconference.

This terminates Docket No. 65.

IT IS SO ORDERED.

Date: April 14, 2025

YVONNE GONZALEZ ROGERS
UNITED STATES DISTRICT COURT JUDGE

United States District Court
Northern District of California