

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
2900 Crystal Drive  
Arlington, Virginia 22202-3513

Mailed: September 17, 2003

Opposition No. 91122816

RUSSELL SIMMONS

v.

KERRY COLIN KEANE

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v.

RUSH MEDIA, LLC

**David Mermelstein, Attorney:**

Now before the Board are several issues concerning the institution of this proceeding, all related to the identity of the proper opposer(s) in this opposition.

The subject application was published for opposition on January 30, 2001. On February 8, 2001, DJR Holdings, LLC ("DJR"), filed a request for a thirty-day extension of time to oppose, which request was granted by the Board.

On March 30, 2001, an opposition was filed. The captioned opposer was identified as "Russell Simmons," ("Simmons") and a check in the amount of \$600.00 was

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enclosed.<sup>1</sup> However, the body of the notice of opposition states that

RUSSELL SIMMONS ... individually and as the principal owner, majority shareholder and/or controlling member of RUSH COMMUNICATIONS, INC., a New York corporation ..., RUSH MEDIA LLC, a New York limited liability company ..., RUSH ASSOCIATED LABELS, INC., a New York corporation ..., and DJR HOLDINGS, LLC, a New York limited liability company ..., respectfully avers that he and the Rush Entities will be substantially and irreparably damaged by the registration of the mark...

Notice of Opp. at 1-2.

By order dated August 13, 2002, the Board ordered opposer to respond to the following questions:

- (1) Who is the opposer in this proceeding? Mr. Simmons is the only named opposer, but many of the asserted marks appear to be owned and used by the separate legal entities also referenced in the pleading.
- (2) Inasmuch as the extension of time to oppose was filed solely in the name of DJR Holdings, LLC, is the notice of opposition by Mr. Simmons untimely because of lack of privity? Likewise, to the extent other identified entities, namely, Rush Communications, Inc., Rush Media, LLC, and Rush Associated Labels, Inc., were intended to be joint opposers, is opposition by each of them untimely because of lack of privity?
- (3) If there is more than one opposer that can show privity with the potential opposer, an opposition fee (in this case, \$600.00) must be submitted for each opposer.
- (4) If Rush Media, LLC is not a proper opposer in this proceeding, applicant may be required to bring its counterclaim as a separate cancellation proceeding or move to join Rush Media, LLC as a party.

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<sup>1</sup> The opposed application contains two classes of services.

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Opposer timely responded to the Board's order. Although the Board indicated that applicant was entitled to respond to opposer's submission, if desired, the record indicates no such filing.

With respect to the Board's first question, opposer indicates that it considers Russell Simmons to be the appropriate opposer in this matter. Thus, although opposer indicates that there is privity among all of the "Rush Entities," we view the explanation thereof (and their mention in the notice of opposition) to be merely illustrative of Mr. Simmons' business activities as may be relevant to this dispute.<sup>2</sup>

Considering the Board's second question, we must determine whether a privity relationship exists between DJR

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<sup>2</sup> Opposer's response is somewhat equivocal on this point. See Opposer's Response at ¶ 18 ("Opposer respectfully submits that opposition by each of the Rush Entities is timely because there is privity between Opposer and each and every member of the Rush Entities."). However, if we consider each of the "Rush Entities" as an opposer, the question we must answer is not whether there is privity between Simmons and each of the "Rush Entities," but rather whether there is privity between DJR (which requested the extension of time to oppose) and each of the other "Rush Entities." While we conclude, *infra*, that there is privity between DJR and Simmons, opposer has presented no evidence of privity between DJR and the other "Rush Entities," other than its nebulous claims of common ownership by Simmons of all the entities. But the mere fact that two or more businesses are owned by the same party does not establish that the businesses are in privity with each other.

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and opposer Simmons, such that DJR's extension of time to oppose inured to the benefit of Simmons.<sup>3</sup>

An extension of time to oppose is a right personal to the party to whom it is granted. A third party may therefore not benefit from such an extension, unless it is in privity with the party to whom the extension was granted. Under these circumstances, privity has been held to include more than the relationship between a party and its successor in interest; a related person or entity may, under some circumstances, qualify.

Opposer's response to the Board's order states that Simmons is "the principle [sic] owner, majority shareholder and/or controlling member of the entities listed in the Notice of Opposition," including DJR. With respect to DJR, opposer states as follows:

5. In 1985, I founded Def Jam Recordings ("Def Jam"), which, prior to Def Jam's sale to Universal Music Group in or about 1999, was Rush Communications' largest and most well known subsidiary. Rush Associated Labels, Inc. was the corporate entity I created in 1990 to operate the various Def Jam record labels (i.e., Def Jam, Def Soul, Def Reggae and Def Songs, to name a few). DJR Holdings, LLC was the entity I founded to own the marks that are associated with the record company. Through my agreement with Universal, DJR Holdings will own the marks and license them to Universal. Despite the sale of the Def Jam and RAL to Universal, I retained joint control, along with Universal, of these entities.

Simmons Dec. at 3.

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<sup>3</sup> Significantly, we note that opposer does not claim that its filing of an extension request in the name of DJR was a mistake

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Opposer is not specific regarding the relationship of opposer Simmons to DJR. We are left to wonder, for instance, whether Simmons is the principal owner, the majority shareholder, or the controlling member of DJR, and whether others besides Simmons may exercise control over DJR. Nonetheless, it would appear from opposer's response that it has at least met the minimum required to demonstrate that it is in privity with DJR, particularly in light of any contrary evidence or argument presented by applicant. Accordingly, it would appear that the notice of opposition by Simmons is not untimely.

However, the same cannot be said of the other entities mentioned in the notice of opposition. For instance, it does not appear that DJR owns or otherwise controls the other "Rush Entities." While these other entities may share a common origin and ownership, it is axiomatic that such entities are separate both from their owners and from each other.<sup>4</sup> Absent some proof of privity between DJR and each of the "Rush entities," we will not assume such a relationship.

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within the meaning of Trademark Rule 2.102(b).

<sup>4</sup> Corporations, partnerships, and other business entities are created for financing, liability, tax, and other purposes. However, such benefits are generally dependent on treating such entities as separate juridical persons. For instance, one generally may not argue that a corporation shields its stockholders from liability, but is merely the alter ego of its stockholders (or sister corporations) for other purposes.

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Finally, inasmuch as Rush Media, LLC is not an opposer herein, we consider the Board's fourth point, namely, whether applicant's counterclaim to cancel a registration owned by Rush Media, LLC (and pleaded in the notice of opposition) may proceed as part of this litigation.<sup>5</sup>

Because the relevant registration was pleaded in the notice of opposition, applicant's claim for its cancellation is a compulsory counterclaim. Trademark Rule 2.106(b)(2)(i). In other words, if opposer had not asserted its counterclaim, it may well have been forever barred from attacking the validity of the registration.

The Federal Rules allow for the joinder of a party necessary for "just adjudication" of the dispute. "A person ... shall be joined as a party in the action if (1) in the person's absence complete relief cannot be accorded among those already parties... If the person has not been so joined, the court shall order that the person be made a party." Fed. R. Civ. P. 19(a).

We find that Rush Media LLC should be joined as a party defendant in this proceeding for purposes of adjudicating applicant's counterclaim.<sup>6</sup> The Board will not hear an

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<sup>5</sup> We do not reach the substantive question of whether opposer Simmons has standing to assert a claim based on a registration owned by Rush Media, LLC. That is a question which will likely depend on the facts adduced at trial.

<sup>6</sup> Because we have found that Rush Media, LLC is not a proper plaintiff in this proceeding because it has not demonstrated that it is in privity with DJR, Rush Media, LLC is joined as a defendant herein.

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attack on the validity of a pleaded registration in the absence of a counterclaim or separate action for cancellation, Trademark Rule 2.106(b)(2)(ii), and fundamental fairness requires that a defendant be permitted an opportunity to so proceed, if otherwise appropriate. Applicant could be required to assert its counterclaim in a separate petition for cancellation. However, in that case, this proceeding would likely be suspended pending the outcome of the petition for cancellation. *Cf., Schieffelin & Co. v. The Molson Companies, Ltd.*, 9 USPQ2d 2069 (TTAB 1989) (counterclaims attacking validity of pleaded registrations considered by Board prior to consideration of plaintiff's claims). Moreover, because the proceedings are likely to involve common issues of law and fact, their trial in one proceeding would be more just and efficient for all involved.<sup>7</sup>

Proceedings are RESUMED. Rush Media, LLC is allowed THIRTY DAYS in which to file an answer the counterclaim. The parties are allowed THIRTY DAYS from the mailing date of this order to serve responses to any outstanding discovery requests. Trial dates, including the close of discovery, are reset as follows:

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<sup>7</sup> The Board's third issue - whether the appropriate fee has been paid for the opposition - is moot, since the fee previously submitted is appropriate for one opposer to proceed against a two-class application. See Trademark Rule 2.6(a)(17).

**THE PERIOD FOR DISCOVERY TO CLOSE:** March 15, 2004

Thirty-day testimony period for party in the position of plaintiff in the opposition to close: June 13, 2004

Thirty-day testimony period for defendant in the opposition and as plaintiff in the counterclaim to close: August 12, 2004

Thirty-day testimony period for defendant in the counterclaim and its rebuttal testimony as plaintiff in the opposition to close: October 11, 2004

Fifteen-day rebuttal testimony period for plaintiff in the counterclaim to close: November 25, 2004

**Briefs shall be due as follows:**

Brief for plaintiff in the opposition shall be due: January 24, 2005

Brief for defendant in the opposition and as plaintiff in the counterclaim shall be due: February 23, 2005

Brief for defendant in the counterclaim and its reply brief (if any) as plaintiff in the opposition shall be due: March 25, 2005

Reply brief (if any) for plaintiff in the counterclaim shall be due: April 9, 2005

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

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