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

In The Matter of Application Serial Nos. 76/103,447 and 76/103,448  
Published In The Official Gazette of May 22, 2001  
and April 24, 2001, Respectively



05-14-2003

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #22

Mark: **HYPERSONIC**

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**Central Mfg. Co.,** :

**Opposer,** : **Opposition No. 123,765**

**- against-** :

**Paramount Parks Inc.,** :

**Applicant.** :

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**Applicant's Memorandum in Opposition to  
Opposer's Motion for Rule 11 Sanctions**

Applicant Paramount Parks Inc. ("Paramount") submits this memorandum of law in opposition to Opposer Central Mfg. Co.'s ("Central") motion for Rule 11 sanctions.

Central's motion is patently frivolous. It is not only inappropriate given the Board's instruction that all papers filed during the pendency of Opposer's motion for summary judgment and not relevant thereto will not be considered (see Order of Feb. 10, 2003), but it simply does not state a valid basis for sanctions, and appears to have been filed merely to harass Applicant.

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Opposer's motion alleges in cursory fashion that the following actions on the part of Paramount are sanctionable: (1) a mistaken attempt to file Amendments to Allege Use during the black-out period; and (2) unidentified misstatements of fact and/or law in Applicant's memorandum of law submitted in Opposition to Opposer's motion for summary judgment. Rather than pointing to specific alleged misstatements, Opposer merely "reasserts and realleges" the allegations purportedly contained in its reply brief on its summary judgment motion.

Rule 11 states, in relevant part:

FRCP 11(b) Representations to Court. By presenting to the court (whether by signing, filing, submitting, or later advocating) a pleading, written motion, or other paper, an attorney or unrepresented party is certifying that to the best of the person's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances, --

- (1) it is not being presented for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation;
- (2) The claims, defenses, and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;
- (3) the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and
- (4) the denials of factual contentions are warranted on the evidence or, if specifically so identified, are reasonably based on a lack of information or belief.

With respect to the Amendments to Allege Use, Applicant mistakenly filed those amendments in October of 2001. Hallie Aff't, ¶ 6-7. Amendments to allege use are filed with the Patent and Trademark Office as part of the registration process, and are not a "pleading, written motion, or other paper" filed with a court or this Board. Rule 11 is thus inapplicable on its face. Further, as noted in Applicant's opposition brief, far from being a sanctionable act, the erroneous filing of amendments to allege use during the black-out period merely results in a rejection of the amendments, but an applicant can re-file them at the appropriate time. Opp. Mem., at 11; see TMEP

§ 1104.03(b). Applicant has explained that the error was unintentional, and it clearly was not the result of – nor did it constitute – bad faith or other misconduct.

The purported “misstatements” upon which Opposer’s motion for sanctions is based are difficult to discern, but appear to be that Applicant’s legal position that Opposer appears to lack standing is somehow a “willful misrepresentation”. Reply Mem., at 2. Most notably, Opposer does not explain what the misrepresentation is or take this opportunity to clarify the factual issues that form the basis of that legal argument (i.e., that the documents filed by Opposer in this opposition and with the PTO are inconsistent as to ownership)<sup>1</sup>. See Opp. Mem, at 6-7.

Opposer also denies Applicant’s claim that Opposer has not established use of its trademark. Reply Mem., at 3. Again, Opposer does not explain how making this allegation could conceivably constitute sanctionable conduct, but more importantly, Opposer still has not furnished proof of use. Rather, it argues only that its mark has incontestable status, but the law is clear that a mark’s incontestable status alone is not sufficient to defeat a counterclaim for abandonment. See 15 U.S.C. § 1064(3).

Next, Opposer argues that Applicant has “waived its right to take discovery” by virtue of opposing Opposer’s summary judgment motion, and that Applicant’s request for sanctions by reason of Opposer’s blatant manipulation of the discovery process constitutes a “pejorative comment” intended to “unlawfully prejudice the Opposer before this Board.” Reply Mem., at 3. Opposer is essentially arguing that its own refusal to cooperate in discovery and its own affirmative efforts to delay these proceedings now act to estop Applicant from taking discovery, and that if

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<sup>1</sup> Instead, Opposer’s brief includes the statement that “[t]he Opposer, CENTRAL MFG. CO., is the listed Registrant of Record and its representative, LEO STOLLER, is the President and sole owner of CENTRAL MFG. CO.” Reply Mem., at 3. This statement is not supported by an affidavit, nor does it answer the question of standing: Paramount does not deny that Central is the listed registrant, nor that Stoller is Central’s president; the question is, given

Applicant attempts to argue to the contrary it should be sanctioned.

Finally, Applicant notes that "A motion for sanctions under FRCP 11(c) is governed by, and should not be filed in violation of, FRCP 11(b). If the Board finds that a motion for FRCP 11(c) sanctions itself violates the provisions of FRCP 11(b), an appropriate FRCP 11(c) sanction may be entered against the party which filed the motion." TMEP § 529. Here, Opposer's motion is frivolous on its face, and appears to have been filed merely to harass Paramount, delay proceedings, and cause Paramount to expend sums to oppose it. In these circumstances, it is Central that should be sanctioned.

**Dated:** New York, New York  
May 13, 2003

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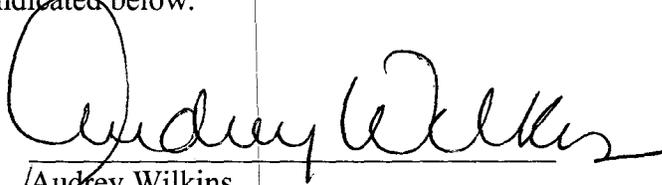
I hereby certify that this paper or fee is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to the Assistant Commissioner of Trademarks, 2900 Crystal Drive, Arlington, Virginia 22202-3513.

Name Andrew Wilkins  
Signature Andrew Wilkins

Stoller's prior statements, is he currently the registrant in fact? See Opp. Mem., at 6-7.

**CERTIFICATE OF SERVICE**

I certify that a true copy of Applicant's Memorandum in Opposition to Opposer's Motion for Rule 11 Sanctions is being forwarded by first class mail, postage prepaid, to Opposer Mr. Leo Stoller, Central Mfg., Inc., Trademark & Licensing Department, P.O. Box 35189, Chicago, Illinois 60707-0189 on the date indicated below.

  
Audrey Wilkins

Dated: May 13, 2003