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UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Mailed: October 20, 2006

Opposition No. 91124762
Cancellation No. 92040092

Kapalua Land Company, Ltd.

v.

Interfashion Ltd. B.V.I. (by
assignment from Kapalua
Strickenwaren GmbH¹) and Style
& Spirit GmbH (joined as party
defendant)

Before Holtzman, Rogers and Kuhlke, Administrative Trademark
Judges.

By the Board:

Now ready for decision are petitioner's motion for
summary judgment, and respondent Kapalua Strickenwaren
GmbH's cross-motion for leave to amend its responses to
petitioner's first set of requests for admissions, both
filed in the cancellation proceeding.² The parties have
fully briefed the motions, and we have considered

¹ Reel 1972, Frame 0571, recorded October 4, 1999. The record in the cancellation proceeding indicates that there have been numerous other assignments of the involved registration, and one name change, none of which have been recorded with the Assignment Services Division of the USPTO. Upon the filing with the Board of a copy of the assignment(s), the Board may join the assignee as party defendant. See TBMP § 512.01 (2nd ed. rev. 2004). Upon recordation of the assignment, the Board may substitute the assignee as party defendant. Id.

² Opposition No. 91124762 is suspended pursuant to the Board's July 30, 2006 order.

petitioner's reply regarding its summary judgment motion.
See Trademark Rule 2.127(a).

**Motion for Leave to Amend Responses to Requests for
Admissions**

We turn first to respondent's motion for leave to amend its responses to petitioner's requests for admissions, pursuant to Fed. R. Civ. P. 36(b).

As background, respondent's responses to petitioner's requests for admissions include an admission that respondent has not used the involved mark on shoes, socks and underwear, i.e., three of the 15 items identified in Registration No. 2115124, and an admission that the mark has been used on the other 12 items listed in the registration. These admissions directly contradict the Section 8 affidavit that respondent previously filed, and form the basis for petitioner's pending summary judgment motion on the issue of fraud, discussed below.

Respondent now seeks to replace these admissions with denials, based on information set forth in declarations from Nicolaus Reusch³ and Christine Tan⁴. The declarations,

³ Mr. Reusch was the Managing Director of Style & Spirit GmbH when he signed the Section 8 affidavit, and currently is the Co-CEO of DC Design & Concept GmbH. Mr. Reusch also provided the conflicting information contained in respondent's responses to petitioner's interrogatories and requests for admissions.

⁴ Ms. Tan states that she currently is the "Creative Director and chief designer for the KAPALUA Brand line of women's clothing for DC Design & Concept GmbH." Ms. Tan states that she created this line of clothing in 1994, and that she has designed the line for various predecessors to DC Design & Concept GmbH, including Style & Spirit GmbH in 2003 and 2004.

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which were submitted in response to petitioner's summary judgment motion, demonstrate that the mark was in use on all of the goods identified in Registration No. 2115124 on the filing date of the Section 8 affidavit. The declarations, and particularly Mr. Reusch's explanation regarding translation and comprehension difficulties, persuade us that the merits of the case would be subserved by allowing respondent to amend its admissions.

In making this determination, we are mindful that it is the policy of the law to decide cases on their merits, whenever possible. See *Johnston Pump/General Valve, Inc. v. Chromalloy American Corp.*, 18 USPQ2d 1719, 1722 (TTAB 1989).

Moreover, petitioner has not persuaded us that it will be unfairly prejudiced by the amendment of the admissions. In this regard, the concept of prejudice does not simply mean that a party who obtained the admissions will now have to prove the previously admitted facts but, rather, refers to the special difficulty a party may face in proving its case, e.g., if key witnesses or evidence have become unavailable, or if there is insufficient time before trial for that party to obtain the necessary evidence or witnesses. See, generally, *Wright & Miller*, 8A Federal Practice and Procedure: Civil 2d § 2264 (1994).

In addition, petitioner's testimony period has not yet opened. By reopening the discovery period, which we do

below, petitioner will have sufficient time before trial to obtain necessary evidence and witnesses. See *Hobie Designs v. Fred Hayman Beverly Hills Inc.*, 14 USPQ2d 2064 (TTAB 1990). See also *Johnston/Pump*, supra, 18 USPQ2d 1719 (case was still in pre-trial stage and prejudice to the party propounding admission requests could be avoided or mitigated by reopening discovery for that party).

In view of the foregoing, respondent's motion for leave to amend its admissions is granted, and respondent's amended responses to petitioner's requests for admissions are accepted.

Motion for Summary Judgment

We now turn to petitioner's motion for summary judgment on the issue of abandonment with respect to Registration No. 2016976, the issue of fraud with respect to respondent's filing of a Section 8 affidavit for Registration No. 2115124, and the issue of respondent's abandonment of Registration No. 2115124 for failure to file an acceptable Section 8 affidavit.

Registration No. 2016976

During the pendency of this proceeding, respondent failed to file an acceptable Section 8 affidavit for Registration No. 2016976. Accordingly, Registration No. 2016976 was cancelled on September 28, 2006. In response to the summary judgment motion, respondent stated that it "is

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not contesting Petitioner's request to cancel" Registration No. 2016976. In view thereof, judgment is hereby entered against respondent with respect to Registration No. 2016976.

Registration No. 2115124

A party is entitled to summary judgment when it has demonstrated that there are no genuine issues as to any material facts, and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c). The evidence must be viewed in a light favorable to the nonmoving party, and all justifiable inferences are to be drawn in the nonmovant's favor. *Opryland USA Inc. v. The Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992).

Upon careful consideration of the arguments and evidence presented by the parties, and drawing all inferences with respect to the summary judgment motion in favor of respondent as the nonmoving party, we find that petitioner has not demonstrated the absence of a genuine issue of material fact for trial.

In light of respondent's supporting declarations, discussed above, respondent's answer to the amended petition for cancellation, and respondent's supplemental and/or amended responses to petitioner's discovery requests, respondent has established the existence of a genuine issue of fact as to whether the Section 8 affidavit that

respondent filed in Registration No. 2115124 contains fraudulent statements and representations.

In addition, inasmuch as the Post Registration section of the USPTO accepted respondent's Section 8 affidavit on September 17, 2006, Style & Spirit GmbH is currently viewed by the office as the record owner of Registration No. 2115124.⁵ Thus, petitioner also has failed to establish the absence of a genuine issue with respect to respondent's alleged abandonment of Registration No. 2115124, to the extent petitioner bases said claim on respondent's purported "failure to comply with the Post-Registration requirements and the timely filing by the owner of the mark of a Declaration of Use."

In view thereof, petitioner's summary judgment motion is denied as to Registration No. 2115124.⁶

⁵ The Board relies on this Post Registration determination solely for the purpose of identifying Style & Spirit GmbH as the current record owner of Registration No. 2115124, and therefore a real party in interest. However, Post Registration's acceptance of the Section 8 affidavit does not foreclose the possibility of further investigation by petitioner on the issues related to the various transfers of this registration and the identity of any other real party in interest. In this vein, either party may file an appropriate motion, with supporting evidence, to add DC Design & Concept GmbH, and/or any previous or subsequent assignees, as additional defendants.

⁶ The parties should note that evidence submitted in support of or in opposition to a motion for summary judgment is of record only for consideration of that motion. Any such evidence to be considered at final hearing must be properly introduced during the appropriate trial period. See, for example, *Levi Strauss & Co. v. R. Joseph Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993).

Entry of Standard Protective Order

To the extent that discovery has been stalled due to the need for agreement to and entry of a confidentiality agreement, it is appropriate to impose the Board's standardized protective order on the parties. The protective agreement is available on-line at <http://www.uspto.gov/web/offices/dcom/ttab/ttabdocs.htm> and hereby binds the parties. As the parties can see from the terms of the agreement, they are free to agree to modifications or seek modifications by motion to the Board.

Observations and Discovery Reminders

Petitioner may wish to reconsider its abandonment claim, in light of the matters discussed hereinabove, and particularly in light of Post Registration's acceptance of respondent's Section 8 affidavit on September 17, 2006. Specifically, petitioner should consider whether it will pursue at trial allegations of respondent's non-use of the mark in commerce, as originally pleaded, and/or abandonment related to chain of title issues or transfers of the involved registration. If petitioner intends to pursue the latter course, petitioner should amend its petition for cancellation to reflect the change in focus.

The Board reminds respondent that it has a duty to make a good faith effort to satisfy petitioner's discovery needs. See TBMP section 402.01 (2nd ed. rev. 2004). Respondent is

further reminded that it has a duty to thoroughly search its records for all information properly sought by any discovery request, and to provide such information to petitioner within the time allowed for responding to the request. See TBMP section 408.02 (2nd ed. rev. 2004). Furthermore, a party that has responded to a discovery request has an ongoing duty to supplement or correct that response. See Fed. R. Civ. P. 26(e); TBMP § 408.03 (2nd ed. rev. 2004).

In addition, respondent is reminded that a responding party which, due to an incomplete search of its records, provides an incomplete response to a discovery request, may not thereafter rely at trial on information from its records which was properly sought in the discovery request but was not included in the response thereto (provided that the requesting party raises the matter by objecting to the evidence in question). See *Bison Corp. v. Perfecta Chemie B.V.*, 4 USPQ2d 1718 (TTAB 1987). Respondent is also reminded that, when a party, without substantial justification, fails to amend or supplement a prior response, as required, that party may be prohibited from using as evidence the information not so disclosed. See Fed. R. Civ. P. 37(c)(1).

Consolidation

Fed. R. Civ. P. 42(a), as made applicable by Trademark Rule 2.116(a), provides with respect to consolidation of proceedings that, when actions involve a common question of

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law or fact, the Board may order a joint hearing or trial of any or all of the matters in issue in the actions; it may order all the actions consolidated; and it may make such orders concerning proceedings therein as may tend to avoid unnecessary costs or delay.

It is adjudged that in Opposition No. 91124762 and Cancellation No. 92040092, there is a sufficient commonality of factual issues in the proceedings that consolidation is appropriate. Consolidation will avoid duplication of effort concerning the factual issues and will thereby avoid unnecessary costs and delays.

Accordingly, Opposition No. 91124762 and Cancellation No. 92040092 are hereby consolidated and may be presented on the same record and briefs. See *Helene Curtis Industries Inc. v. Suave Shoe Corp.*, 13 USPQ2d 1618

(TTAB 1989). From this date forward, **Opposition No. 91124762** will be designated the "parent" case in which all papers shall be filed. However, every paper must henceforth reference both proceeding numbers as shown in the caption of this order. The parties are instructed to promptly inform the Board of any other related cases within the meaning of Fed. R. Civ. P. 42.

Dates Reset

Proceedings are resumed. Discovery is reopened for a limited period solely to allow petitioner to take discovery

on the issues raised by respondent's amended responses to petitioner's requests for admissions. If petitioner notices a deposition on written questions, petitioner must promptly inform the Board.

If respondent has not already supplemented its document production with the recently discovered documents referenced in respondent's response to petitioner's summary judgment motion, respondent has until THIRTY DAYS from the mailing date of this order to do so.⁷

Trial dates, including the close of discovery, are reset as follows:

DISCOVERY PERIOD TO CLOSE: **November 24, 2006**

Thirty-day testimony period for party in position of plaintiff to close: **February 22, 2007**

Thirty-day testimony period for party in position of defendant to close: **April 23, 2007**

Fifteen-day rebuttal testimony period to close: **June 7, 2007**

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 Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

⁷ The parties should note that this is merely a scheduling order, and not an order compelling discovery.