

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
2900 Crystal Drive  
Arlington, Virginia 22202-3514

Kuhlke

Mailed: September 29, 2004

Opposition No. 91159950

Central Mfg. Co.

v.

Premium Products, Inc.

Before Hanak, Bucher and Bottorff, Administrative Trademark Judges.

By the Board:

On July 27, 2004, the Board suspended proceedings pending disposition of several motions including opposer's motion for summary judgment. This case now comes up for consideration of the following motions: (1) opposer's motion (filed April 30, 2004) to strike applicant's affirmative defenses; (2) applicant's motion (filed May 4, 2004) to strike certain paragraphs from the notice of opposition; (3) applicant's motion (filed May 4, 2004) for protective order concerning filing and service of motions and other papers before the Board; (4) opposer's motion (filed June 7, 2004) for sanctions under Fed. R. Civ. P. 11; and (5) applicant's motion (filed July 13, 2004) for discovery under Fed. R. Civ. P. 56(f).

IT IS HEREBY ORDERED:

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(1) Opposer's motion to strike applicant's affirmative defenses is denied as to paragraphs nos. 1, 2 and 4 and granted, in part, as to paragraph no. 3.<sup>1</sup>

Fed. R. Civ. P. 12(f) provides for the striking from a pleading of any insufficient defense or any redundant, immaterial, impertinent, or scandalous matter. However, motions to strike are not favored, and matter will not be stricken unless it clearly has no bearing upon the issues in the case. *See Leon Shaffer Golnick Advertising, Inc. v. William G. Pendill Marketing Co., Inc.*, 177 USPQ 401 (TTAB 1973).

Paragraphs nos. 1, 2 and 4 are sufficient inasmuch as they serve to amplify the denials in the answer and/or apprise opposer with greater particularity of the position which applicant is taking in the defense of its right to registration.

Paragraph no. 3 reads as follows:

Opposer's opposition to PREMIUM's use and registration of the mark "GROUND ZERO STEALTH" is barred by the doctrines of waiver, estoppel, acquiescence, ratification, laches and, concerning applications identified in the Notice of Opposition, abandonment.

Opposer argues that "abandonment" should be stricken because it "represents a collateral attack on opposer's said marks." In response, applicant argues that although the Board does not permit "an attack on a registration" absent a

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<sup>1</sup> Applicant's amended answer filed on May 4, 2004 as a matter of course under Fed. R. Civ. P. 15(a) is noted. The motion to strike has been considered in the context of the amended answer.

counterclaim, this "does not apply where the opposer attempts to assert a mark that is only the subject of a pending application rather than a registration."

While this may not be a collateral attack on a registration, the "affirmative defense" of abandonment is not supported by sufficient allegations (e.g., no allegation that pleaded applications have been abandoned).<sup>2</sup> In the event this defense is anticipating any future possible abandonment of pleaded applications, such an allegation would be premature and not appropriate. In view thereof, the clause "and, concerning applications identified in the Notice of Opposition, abandonment" of paragraph no. 3 of the affirmative defenses in the amended answer is hereby stricken.

Applicant is allowed until **THIRTY DAYS** from the mailing date of this order to file an amended answer which cures the deficiencies in paragraph no. 3 of the affirmative defenses, failing which proceedings will go forward with applicant's amended answer in accordance with this order.

(2) Applicant's motion to strike certain paragraphs from opposer's notice of opposition is denied as untimely, Fed.

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<sup>2</sup> With regard to the defenses of waiver, estoppel, acquiescence, ratification and laches, applicant is advised that laches and acquiescence are generally not available as defenses in an opposition proceeding. See *National Cable Television Ass'n v. American Cinema Editors, Inc.*, 937 F.2d 1572, 19 USPQ2d 1424 (Fed. Cir. 1991); and *DAK Industries, Inc. v. Daiichi Kosho Co.*, 25 USPQ2d 1622 (TTAB 1992).

R. Civ. P. 12(f), and the Board declines, on its own initiative, to strike matter from the notice of opposition.<sup>3</sup> TBMP § 506.02 (2d ed. rev. 2004).

(3) Applicant's motion for protective order concerning filing and service of motions is granted for the reasons set forth below.

In support of its motion, applicant states that opposer's mailings do not include a postmark, which should appear in the postage meter stamp. Applicant further states, that it is against postal regulations to mail an envelope without a date postmarked thereon, quoting the U.S. Postal Services' Domestic Mail Manual wherein it states that the date of mailing must be included on a printed postage meter stamp. Applicant states that according to "officials of the U.S. Postal Service...it is apparent that the envelope in question was deposited in an outside mailbox where it would not be entered into the computer system of the Postal Service," and as such could not be tracked on their web site. Applicant is concerned that "[g]iven Mr. Stoller's [opposer's representative] long documented history

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<sup>3</sup> Moreover, a cursory review of the disputed paragraphs when taken in the context of all the allegations in the notice of opposition appear to set forth a claim of fraud in the procurement of a registration. See *Hank Thorp, Inc. v. Minilite, Inc.*, 474 F.Supp. 228, 205 USPQ 598 (D.Del. 1979); *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1999 (TTAB 1999). See also See McCarthy, J. Thomas, McCarthy on Trademarks and Unfair Competition, §§31:71 and 31:73 (4<sup>th</sup> ed. 2004).

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before the Board," opposer's ability to serve filings without a mailing date postmark on the envelope could result in prejudice to applicant by, for example, shortening a deadline for response to a motion. Applicant has submitted several Board orders from several cases where Mr. Stoller was the representative for parties that have been sanctioned due to improprieties with mailings, a copy of the Domestic Mail Manual of the U.S. Postal Service, and copies of the envelopes in which opposer's filings were mailed.

In response, opposer does not dispute that there is no postmark on the envelope or that a mailing date is required to be stamped on the envelope in the meter stamp, nor does opposer dispute that it deposited the envelope in an outside mailbox, thus circumventing entry into the Postal Service computer system. Rather, opposer argues that applicant has not been harmed, yet, as evidenced by the date of receipt on the return certificate signed by applicant and states that in the two instances cited by applicant opposer mailed the documents on the "date of certification." Attached to opposer's response are copies of the postmarked return receipts for the certified mailings showing when applicant received the mailings but, notably, not when opposer mailed them.

The Board first notes that the motion for protective order is more in the nature of a motion for sanctions and the Board grants this motion both under the provisions governing protective orders and under its inherent authority

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to sanction bad-faith conduct and control the conduct of parties in proceedings. Trademark Rule 2.120(f); Fed. R. Civ. P. 26(c); *Central Mfg. Inc. v. Third Millennium Technology, Inc.*, 61 USPQ2d 1210 (TTAB 2001). See also *Chambers v. NASCO, Inc.*, 501 U.S. 32, 111 S.Ct. 2123, rehearing denied, 501 U.S. 1269, 112 S.Ct. 12 (1991).

In another proceeding involving Mr. Stoller, opposer's representative, the Board found that a certificate of mailing and certificate of service submitted by Mr. Stoller's former company, S. Industries, was fraudulent. *S. Industries Inc. v. Lamb-Weston Inc.*, 45 USPQ2d 1293 (TTAB 1997). The Board made this determination based on the evidence presented which included the envelope containing plaintiff's filings that had a postage meter stamp date of July 9, 1997, rather than the certificate of mailing date of July 3, 1997.

Here, it appears from the record that opposer has found a way to circumvent this fate by simply omitting the postage meter stamp date and avoiding the postage cancellation date. Applicant's allegations regarding the omission of a postmark, or date of mailing on the envelope in apparent violation of Postal Service regulations stand un rebutted. The Board is hard pressed to think of a more egregious act of bad faith than flouting the United States Postal Service regulations. Opposer's contention that applicant has not been harmed because it timely received these filings is not correct. Applicant and the judicial process have been

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harmed inasmuch as opposer has made it impossible to verify the certificate of mailing statements by somehow omitting the date of mailing from its envelopes and in so doing may have violated U.S. Postal regulations during the course of this proceeding.

In view thereof, the Board grants the motion for protective order to the extent that opposer is hereby ordered to obtain a postmark from a postal official at a U.S. Post Office for all further correspondence to applicant and to the Board in this proceeding. The Board declines at this time to impose the other requirements requested by applicant.

(4) Opposer's motion for sanctions under Fed. R. Civ. P. 11 is denied.

By its motion, opposer contends that applicant's motion for a protective order filed on May 4, 2004 is frivolous and requests that the Board enter judgment against applicant. Inasmuch as the Board has now granted that motion, it is, as a matter of law, not frivolous.

(5) Applicant's motion for discovery under Fed. R. Civ. P. 56(f) and imposition of the Board's standard protective agreement is granted.

Opposer has filed a motion for summary judgment on its claim of likelihood of confusion under Section 2(d) of the Trademark Act. In the notice of opposition, opposer alleged

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prior common law use and pleaded several registrations and applications. Opposer relies on these pleaded marks in its motion for summary judgment.

In support of its motion for discovery, applicant states that prior to the filing of the motion for summary judgment, applicant served opposer with discovery requests but opposer's responses were inadequate. Specifically, applicant seeks discovery "to determine whether opposer owns the trademark rights opposer claims to hold in this opposition proceeding or whether, alternatively, any rights that opposer might have held are abandoned." Further, applicant states that "[t]his information will permit applicant to determine whether an issue of fact exists as to the validity of some or all of the registrations, asserted by opposer in this opposition proceeding, that would preclude entry of summary judgment" and that "[a]pplicant will seek cancellation of any and all of opposer's marks for which opposer fails to meet their burden concerning use and validity." In addition, applicant seeks discovery on the *du Pont* factors with regard to the likelihood of confusion analysis.

Applicant has requested that the Board: (1) impose its standard protective agreement to facilitate the exchange of confidential material; (2) order opposer to provide complete and proper responses to interrogatories nos. 1, 2, 3, 5, 6, 7, 8, 10, 15 and 17 under oath; (3) order opposer to provide documents in response to document requests nos. 1, 3 and 4;



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(4) order opposer to respond to applicant's second set of interrogatories under oath; and (5) order Mr. Leo Stoller to attend a deposition at a date, time and place agreed to between the parties after applicant receives the requested discovery.

In opposition to the motion, opposer argues that applicant's request "fail[s] to identify with particularity the information that the applicant claims it must have prior to respond [sic] to opposer's motion for summary judgment." Further, opposer argues that opposer's "ownership of the marks asserted in the opposition is not an issue in this case." Finally, opposer states that it has fully responded to the requests and many of the requests are "irrelevant to applicant's ability to file its response to opposer's motion for summary judgment."

A party that believes that it cannot effectively oppose a motion for summary judgment without first taking discovery may file a request with the Board for time to take the needed discovery. TBMP § 528.06. The motion should set forth with specificity the areas of inquiry needed to obtain the information necessary to enable a party to respond to the motion for summary judgment. *Id.* If a party has demonstrated a need for discovery which is reasonably directed to facts essential to its opposition to the motion, discovery will be permitted. *See Opryland USA Inc. v. The Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992). This is especially true if the

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information sought is largely within the control of the party moving for summary judgment. See *Orion Group Inc. v. Orion Insurance Co. P.L.C.*, 12 USPQ2d 1923 (TTAB 1989). Finally, a party may seek information on any matter which might serve as the basis for an additional claim, defense, or counterclaim. See *J.B. Williams Co. v. Pepsodent G.m.b.H.*, 188 USPQ 577, 579 (TTAB 1975) (information concerning possible abandonment, if revealed, may provide basis for counterclaim). TBMP § 402.01. Although a party may not defend against a motion for summary judgment by asserting the existence of genuine issues of material fact as to an unpleaded claim or defense, a party may move to amend its pleading to allege the matter at the time it responds to the motion for summary judgment. TBMP § 528.07(b).

Notwithstanding opposer's objections, applicant has set forth with specificity the areas of inquiry needed to obtain the information necessary to enable it to respond to the motion for summary judgment. Applicant has requested supplemental responses to specific discovery requests that address the issues of opposer's ownership and validity of the pleaded marks and certain *du Pont* factors in the likelihood of confusion analysis. Applicant has shown that opposer's responses to applicant's first set of discovery requests are inadequate and require supplementation, and that opposer has not yet responded to applicant's second set of interrogatories which are relevant to the motion for

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summary judgment. In addition, the Board notes that applicant has not yet had an opportunity to depose opposer on the validity and ownership of the pleaded marks. Therefore, it would be inappropriate to decide the motion for summary judgment without allowing applicant to receive relevant discovery. See *Opryland USA Inc. v. The Great American Music Show Inc.*, 23 USPQ2d 1471 (Fed. Cir. 1992) citing *Celotex v. Catrett*, 106 S. Ct. 2548 (1986) and *Dunkin' Donuts of America Inc. v. Metallurgical Exoproducts Corp.*, 6 USPQ2d 1026 (Fed. Cir. 1988).

Accordingly, the Board hereby imposes its standard protective agreement forwarded herewith. Opposer is allowed until **TWENTY FIVE DAYS** from the mailing date of this order to serve complete responses to: (1) interrogatories nos. 1,<sup>4</sup> 2, 3<sup>5</sup> 5, 6, 7, 8, 10, 15 and 17 in the first set of interrogatories, under oath; (2) document requests nos. 1, 3 and 4; and (3) interrogatories nos. 1 and 2 in the second set of interrogatories, under oath. Further, applicant is

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<sup>4</sup> In particular, applicant has requested supplementation to opposer's response to interrogatory no. 1 inasmuch as the response is not supported by the Trademark Office records. This interrogatory is related to interrogatory no. 16 wherein applicant requests information regarding any possible assignments involving the pleaded marks. Opposer objected to interrogatory no. 16 as irrelevant and burdensome. The Board notes that these objections are not proper inasmuch as opposer has pleaded these marks and applicant is allowed to seek discovery regarding these marks. TBMP § 402.01.

<sup>5</sup> Information regarding licensees and license agreements is discoverable. TBMP § 414(10). See *Johnston Pump/General Valve Inc. v. Chromalloy American Corp.*, 10 USPQ2d 1671, 1675 (TTAB 1988); *American College of Oral & Maxillofacial Surgeons*, 201 USPQ 531, 533 (TTAB 1979).

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allowed **FORTY DAYS** from the mailing date of this order to notice and take the deposition of Mr. Leo Stoller on the issues of the validity and ownership of the marks asserted by opposer, and the alleged likelihood of confusion between those marks and applicant's mark. Applicant is allowed until **SIXTY FIVE DAYS** from the mailing date of this order to file its response to the motion for summary judgment.

Proceedings herein remain suspended pending disposition of opposer's motion for summary judgment in accordance with the Board's July 27, 2004 order.

Opposer is advised that proceedings will not be suspended with regard to these discovery obligations, notwithstanding any possible request for reconsideration or petition to the Commissioner. *Opticians Ass'n of America v. Independent Opticians of America Inc.*, 734 F. Supp. 1171, 14 USPQ2d 2021 (D.N.J. 1990), *rev'd on other grounds*, 920 F.2d 187, 17 USPQ2d 1117 (3d Cir. 1990).

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