

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

Mailed: July 5, 2006

Opposition No. 91169646
Opposition No. 91171046

Kansas City Live, LLC

v.

Gailoyd Enterprises Corp.

Gailoyd Enterprises Corp.

v.

Kansas City Live, LLC

David Mermelstein, Attorney:

Now before the Board is a motion to suspend both of the above-captioned opposition proceedings in view of a civil matter now pending in the Federal District Court for the Western District of Missouri.

Cases

This is a dispute between Kansas City Live, LLC ("Kansas City") and Gailoyd Enterprises Corp. ("Gailoyd") over several registrations and applications for trademarks including the words POWER AND LIGHT and variations thereof. On March 9, 2006, Kansas City filed Opposition No. 91169646, against Gailoyd's Application No. 78605154, for the mark

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POWER AND LIGHT CONDOS. Kansas City alleged priority and a likelihood of confusion with its prior registrations and common law trademarks, as well as a likelihood of dilution.

With its answer, filed April 24, 2006, Gailoyd interposed a counterclaim to cancel the two registrations pleaded by Kansas City, Reg. Nos. 2338912 and 2471781 (both for the mark POWER & LIGHT DISTRICT), on the ground Kansas City filed false declarations with the USPTO alleging use of the marks.¹

On May 23, 2006, Gailoyd filed Opposition No. 91171046, to registration of Application No. 76570628, for the mark POWER AND LIGHT DISTRICT. An answer has not yet been filed.

Finally, on June 6, 2006, Gailoyd filed a civil action against Kansas City in the Western District of Missouri. *Gailoyd Enter. Corp. v. Kansas City Live, LLC*, Civ. No. 06-0455-CV-W-DW. Gailoyd's complaint includes three counts: unfair competition under Trademark Act § 43(a); unfair competition and infringement arising under the common law of Missouri; and "procurement of trademark registration[s] by

¹ Gailoyd also pleaded a "counterclaim" for opposition of App. No. 76570328. "[T]he only counterclaims that the Board will entertain are counterclaims to cancel an opposer's or petitioner's registrations." *Int'l Tel. and Tel. Corp. v. Int'l Mobile Mach. Corp.*, 218 USPQ 1024, 1026 (TTAB 1983). A new opposition must be brought as a separate proceeding, which can be consolidated with the prior proceeding, if appropriate. In this case, Gailoyd has also filed a separate opposition against App. No. 76570328. Gailoyd's opposition to registration will

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false or fraudulent representation." In its prayer for relief, Gailoyd requests *inter alia*, an injunction preventing Kansas City "from using the POWER AND LIGHT mark or any colorable variation thereof..." and an order effecting "forfeiture, cancellation or transfer to Gailoyd of the Defendant's trademark applications and registrations incorporating the mark POWER AND LIGHT and/or any colorable variations..."

Telephone Conference

This TTAB interlocutory attorney was contacted by counsel for Kansas City, which indicated that it intended to seek a stay of the matters pending before the Board in view of a civil action. Because of approaching deadlines in the proceeding, Kansas City sought an expeditious decision of its motion. The Board agreed that this matter would be appropriate for decision by a telephone conference pursuant to the Board's rules and practice. To that end, the Board directed Kansas City to file and serve a motion setting out the relevant facts and law so as to give Gailoyd fair notice of what is to be argued and decided during the telephone conference.² The Board further instructed Kansas City to

therefore be considered as a separate claim, rather than as a counterclaim.

² Kansas City's motion specifically notes that "[t]he parties have coordinated with this Board to argue this Motion in a telephone conference on Monday, July 3, 2006 at 2:00 p.m. (local time in Washington, D.C.)." Motion to Suspend ¶ 11, p. 4.

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arrange with Gailoyd a mutually convenient time to hold the telephone conference, and to place the conference call at the designated time.

A telephone conference was held on July 3, 2006. Participating were Ned T. Himmelrich and Kimberly S. Grimsley for movant Kansas City, and Richard P. Stitt, for Gailoyd, and the above Board attorney.

Discussion

Preliminary Matters

As a preliminary matter, we address the concerns of Gailoyd's counsel, who stated that he was surprised that the Board would decide Kansas City's motion based only on the telephone conference and Kansas City's "ex parte communications" with the Board. Counsel stated that he was not aware that by agreeing to a telephone conference, he was waiving his client's right to file a written response to Kansas City's motion to suspend.

Telephone conferences for the resolution of interlocutory motions before the Board have been a feature of our practice for number of years. See, Trademark Rule 2.120(i)(1); Notice, Permanent Expansion of Telephone Conferencing on Interlocutory Matters in Inter Partes Cases Before the Trademark Trial and Appeal Board, Official

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Gazette (Trademarks), June 20, 2000.³ See generally, TBMP § 502.06(a) (2d ed. rev. 2004). The Board has found telephone conferences to be a salutary method for providing expeditious resolution of a wide variety of non-dispositive matters not involving a voluminous documentary evidence or novel legal questions, and cases where time is of the essence.

The procedure followed for initiation of the telephone conference in this proceeding complied fully with the Board's published guidelines:

Contacting the Appropriate Board Attorney

If a party wishes to request a telephone conference or if multiple parties agree to participate in a conference, the party or parties must contact the appropriate Board attorney by telephone. Initial contact will be limited to a simple statement of the nature of the issues proposed to be decided by telephone conference, with no discussion of the merits of any issues.

During initial telephone contact, the Board attorney will decide whether any party must file a motion or brief or written agenda to frame the issues for the conference and will issue instructions for the filing and service of copies of any motion, brief, or written agenda. If all parties to a case make a joint request for a conference, while they should not generally expect to have the conference begin on initial contact, it is possible.

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³ The notice is available on the TTAB's web page:
www.uspto.gov/web/offices/com/sol/og/2000/week25/pattele.htm

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Time for Requesting Conference

A party that intends to file a motion may request a telephone conference before it files the motion. A party that has been served with a written motion may request a telephone conference to dispose of the motion, but that party must contact the Board attorney soon after it receives the service copy of the motion. A party will not be able to request a telephone conference at or near the end of its time for responding to a motion, so as to avoid or delay responding to the motion.

A party that files and serves a written motion without first requesting a telephone conference should have no need to later request a conference on that motion, absent special circumstances. For example, if a party's motion results in a cross-motion and the party that filed the initial motion then wishes to request a telephone conference, it may do so.

Notice, *supra*.

It was thus entirely appropriate for Kansas City's counsel to contact the Board *ex parte* to inform it of the general nature of its motion. The Board did not seek to elicit, and Kansas City's counsel did not offer, any argument on the merits of the motion to suspend, or on any fact which might reasonably have been disputed. The conversation was carefully limited to a very brief discussion of the procedural posture of the matter so that the Board could decide whether a telephone conference was appropriate. As noted, during the initial contact, the Board took no action and made no decision other than to direct Kansas City to file and serve its motion and to arrange the telephone conference.

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Gailoyd indicated that it was surprised that Kansas City's motion would be decided during the telephone conference, and that it did not realize that by agreeing to participate in the conference, it would waive its right to a written response. Gailoyd's surprise indicates a failure to read Kansas City's motion and/or an unfamiliarity with the Board's rules and guidelines with respect to telephone conferences.

Kansas City's motion was clear: the telephone conference was to be the parties' opportunity to argue the motion. Motion ¶ 11, p. 4. While a Board attorney presiding at a telephone conference may order further briefing if necessary,⁴ the point of a telephone conference is usually to *avoid* further briefing and delay when the issue at hand can be resolved expeditiously. The telephone conference is not intended to provide an oral hearing on a motion which is or will be fully briefed.

Finally, Gailoyd did not waive its "right" to file a written response by agreeing to participate in a telephone conference; oral presentation of the non-movant's position is simply a feature of the telephone conference procedure. The decision to conduct a telephone conference is within the

⁴ To be clear, we do not see the need for any further briefing or evidence on Kansas City's motion to suspend. This is not a case where either the relevant law or the facts are seriously in

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Board's discretion, and neither party's agreement to participate is required.

Thus, whether Gailoyd chose to participate in the telephone conference had nothing to do with whether the Board would consider written submissions from the non-movant. Indeed, had Gailoyd refused to participate, the Board could - and likely would - have granted Kansas City's motion as conceded. See Notice, *supra* ("When the Board grants a moving party's request for a telephone conference on a motion, failure of the non-movant to participate may result in the motion's being treated as conceded. See 37 CFR 2.127(a).")

Motion to Suspend

As noted in Kansas City's motion, the Board's rules provide that a Board proceeding may be suspended when it "come[s] to the attention of the ... Board that a party or parties to a pending case are engaged in a civil action ... which may have a bearing on the case..." Trademark Rule 2.117(a). Rule 2.117(a) preserves judicial resources and those of the parties, prevents inconsistent rulings and decisions, and recognizes the broader jurisdiction and higher authority of the Federal courts. While suspension is not mandatory ("proceedings before the Board may be

contention. To the contrary, this is a fairly routine motion to

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suspended"), the Board has almost uniformly exercised its discretion in favor of suspension, particularly when suspension in view of a federal court proceeding is at issue. See, TBMP § 510.02(a) (2d ed. rev. 2004) (and cases cited therein).

There is no doubt that the lawsuit now pending in the Western District of Missouri "may have a bearing" on the proceedings now before the Board. The civil matter involves the same parties, the same marks and - at least in part - identical issues. The relief requested in the civil matter includes a prayer for an injunction against Kansas City's use of the mark POWER AND LIGHT (and variations thereof) on or in connection with the relevant services, and the "forfeiture, cancellation or transfer to Gailoyd of the Defendant's trademark applications and registrations..."⁵ Either request for relief, if granted, would be dispositive of the matters now before the Board. Further, it would appear that Kansas City's claims and defenses may all be raised in the context of the civil matter. In other words, the U.S. District Court has the authority to hear all the

suspend.

⁵ The District Court has the authority to "determine the right to registration [and] order the cancellation of registrations..." Trademark Act § 37, 15 U.S.C. § 1119. If the district court reaches any conclusion as to the right to register or maintain registration of any of the applications or registrations at issue, the parties should ensure that the Court issues an order

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matters now before the TTAB, as well claims for damages, for equitable relief, and for attorney fees and costs, which we do not have the authority to hear.

Gailoyd does not oppose suspension of this proceeding, but argues that such suspension should not be imposed until Kansas City responds to Gailoyd's outstanding discovery requests. We understand that Kansas City's discovery responses are due within several days. Although Gailoyd admits that it will soon be able to seek the same discovery in the federal case, it argues that by requiring Kansas City to respond now would expedite the federal proceeding, so that the Board could "wrap up" the case for the District Court.

We disagree.

While parallel proceedings before both the USPTO and the Federal Court might possibly⁶ expedite some matters before the district court (assuming that court allows introduction of matters discovered in this proceeding), such proceedings would be unfair to Kansas City and wasteful of the Board's time. Because of the federal case - filed by

pursuant to Trademark Act § 37, and that such order is promptly filed with the USPTO.

⁶ While it is difficult to speculate, Gailoyd may be overly optimistic about the pace of discovery before the Board. It is possible that Kansas City's responses to Gailoyd's first discovery requests would be somewhat less than expected, requiring follow-up discovery or motions practice. The delay could easily nullify any advantage to parallel proceedings.

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Gailoyd - Kansas City will now have to devote time to filing a responsive pleading (or motion to dismiss) in that case. Kansas City should not also have to respond to discovery in this proceeding at the same time.

The TTAB does not sit as a magistrate for the district court. Our function is to decide matters before us, not to provide a means to seek discovery to be used in other fora. It was Gailoyd's decision to invoke the jurisdiction of the district court, and it makes little sense for this Board to conduct proceedings so that Gailoyd can discover evidence for use in that case. That court is undoubtedly able to supervise discovery in its own cases.

Finally, even if we were to allow discovery to proceed before the Board, it would not obviate the need for discovery in federal court. Gailoyd's federal complaint includes claims (e.g., unfair competition, infringement, and state law claims) and requests relief (e.g., injunctions and damages) that are beyond the jurisdiction of the TTAB, and thus beyond the scope of discovery in this case. Given that discovery will be necessary in the district court anyway, permitting discovery before the Board would be duplicative and wasteful of our resources, and those of the parties.

Accordingly, this proceeding (including all discovery activity) is SUSPENDED pending a final disposition of the

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civil suit now pending between the parties. Within twenty days of any such disposition, the parties shall so notify the Board, and have this matter called up for appropriate action. Discovery and trial dates will be reset by the Board as appropriate upon resumption.

During the course of the suspension, the parties shall notify the Board of any change in address for the parties or their counsel.

Proceedings Consolidated

As noted, the above-captioned matters involve the same parties and the same or related marks, involving common issues of law and fact. Accordingly, the Board *sua sponte* orders that Opposition Nos. 91169646, and 91171046 are consolidated and that they may be presented on the same record and briefs. See Fed. R. Civ. P. 42(a); TBMP § 511, citing *Izod, Ltd. v. La Chemise Lacoste*, 178 USPQ 440 (TTAB 1970). From this date forward, Opposition No. 91169646 is designated the "parent" case in which all papers shall be filed. Every paper filed must henceforth reference all proceeding numbers as shown in the caption of this order.⁷

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⁷ The parties should promptly inform the Board in writing of any other related *inter partes* proceedings. See Fed. R. Civ. P. 42(a).