

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

Baxley

Mailed: August 26, 2009

Opposition No. 91190746

Citi Trends, Inc.

v.

City Image LLC

Andrew P. Baxley, Interlocutory Attorney:

Pursuant to Fed. R. Civ. P. 26(f) and Trademark Rules 2.120(a)(1) and (2), the parties to this proceeding conducted a discovery conference on the morning of August 26, 2009.¹ Participating in the conference were applicant's attorney Peter J. Kraybill, opposer's attorneys Rachel C. Young and Matthew Henderson, and Board interlocutory attorney Andrew P. Baxley.

The parties indicated that, while they have had previous direct communications regarding this case, they are not currently engaged in settlement negotiations. The parties further indicated that they are not involved in any other litigation.

The parties further indicated that they have not agreed on any limits on discovery at this time and have not agreed

¹ Applicant requested Board participation in such conference by telephone on August 21, 2009.

on any informal proffers of proof. The parties, however, agreed to service of filings by e-mail.²

The Board reminded the parties of the automatic imposition of the Board's standard protective order in this case. If the parties wish to add or modify any provisions to the standard protective order, they may negotiate an amended protective agreement, subject to Board approval.

The Board further reminded the parties that pursuant to the Board's recent rule amendments, neither the exchange of discovery requests nor the filing of a motion for summary judgment (except on the basis of res judicata or lack of Board jurisdiction) could occur until the parties made their initial disclosures as required by Fed. R. Civ. P. 26(f).

The Board reviewed the pleadings herein. In the notice of opposition, opposer set forth a claim of priority and likelihood of confusion under Trademark Act Section 1052(d), 15 U.S.C. Section 1052(d). Applicant, in its answer, denied the salient allegations of the notice of opposition and set forth affirmative defenses, which the Board then reviewed.

Inasmuch as applicant did not timely file a motion to dismiss for failure to state a claim upon which relief can be granted under Fed. R. Civ. P. 12(b)(6), applicant's first affirmative defense, i.e., that opposer has failed to state

² As a backup, the parties should also make follow-up service by mail.

a claim, is waived and therefore stricken. See *Motion Picture Ass'n of America Inc. v. Respect Sportswear Inc.*, 83 USPQ2d 1555, 1557 n.5 (TTAB 2007); Fed. R. Civ. P. 12(f); TBMP Section 506.01 (2d ed. rev. 2004).

As a fourth affirmative defense, applicant alleges that it did not intend to cause confusion with opposer's pleaded marks. However, a lack of intent to cause confusion will not prevent a finding of likelihood of confusion. See *Greyhound Corp. v. Both Worlds Inc.*, 6 USPQ2d 1635, 1640 (TTAB 1988). Accordingly, the Board *sua sponte* strikes applicant's fourth affirmative defense. See Fed. R. Civ. P. 12(f); TBMP Section 506.01 (2d ed. rev. 2004).

As a fifth affirmative defense, applicant contends that the parties' goods and services are priced differently and marketed through different trade channels. However, where, as here, there is no limitation on the channels of trade in the identifications of goods and services in the subject application and the pleaded registrations at issue, the Board presumes that the identifications encompass all goods and services of the type described, that those goods and services move in all normal channels of trade, and that they are available to all potential customers. See *Paula Payne Products Co. v. Johnson Publishing Co.*, 177 USPQ 76 (CCPA 1973); *In re Elbaum*, 211 USPQ 639, 640 (TTAB 1981). Accordingly, the clothing items in opposer's pleaded

registrations are presumed to be sold through applicant's "retail store services featuring clothing, hats and footwear." Based on the foregoing, the Board *sua sponte* strikes applicant's fifth affirmative defense. See Fed. R. Civ. P. 12(f); TBMP Section 506.01 (2d ed. rev. 2004).

As an eighth affirmative defense, applicant alleges that opposer lacks standing because opposer is claiming rights in the CITI formative, which applicant alleges is merely a novel spelling of the word CITY, which applicant asserts is generic for "city-related goods or services." The Board notes that opposer can establish its standing herein by making its pleaded registrations of record. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). Moreover, to the extent that applicant is alleging that the CITI formative in opposer's pleaded marks is generic or merely descriptive of opposer's pleaded goods and services, that allegation is essentially an argument that opposer's pleaded registered marks are unregistrable without a disclaimer of "city" in its proper spelling.³ See TMEP Section 1213.08 (5th ed. 2007). As such, that allegation is a collateral

³ Opposer's pleaded registrations do not include either a claim that CITI has acquired distinctiveness under Trademark Act Section 2(f), 15 U.S.C. Section 1052(f), or a disclaimer for CITI under Trademark Act Section 6, 15 U.S.C. Section 1056.

attack upon opposer's pleaded registrations which can only be raised by way of a compulsory counterclaim. See Trademark Act Sections 14 and 18, 15 U.S.C. Sections 1064 and 1068; Trademark Rule 2.106(b)(2)(i); TBMP Section 313.04 (2d ed. rev. 2004). Accordingly, the Board *sua sponte* strikes applicant's eighth affirmative defense. See Fed. R. Civ. P. 12(f); TBMP Section 506.01 (2d ed. rev. 2004).

In the remaining affirmative defenses, applicant essentially argues that there is no likelihood of confusion between the marks at issue because of third party use and registration of marks containing the CITI formative or the word CITY for related goods and services.⁴ Rather than serving as true affirmative defenses, these paragraphs set forth arguments regarding factors to be analyzed in determining opposer's Section 2(d) claim. See *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). As such, they serve as amplifications of the denials set forth in applicant's answer and otherwise provide a fuller basis for how applicant intends to defend this case. See *Textron, Inc. v. Gillette Co.*, 180 USPQ 152, 153 (TTAB 1973); TBMP Section 506.01 (2d ed. rev. 2004).

⁴ Third party registrations have little probative value because they are not evidence that the marks are in use on a commercial scale or that the public has become familiar with them. See *Smith Bros. Mfg. Co. v. Stone Mfg. Co.*, 476 F.2d 1004, 177 USPQ 462, 463 (CCPA 1973).

The parties declined to pursue accelerated case resolution (ACR), but indicated an interest in so pursuing. Nonetheless, the parties are directed to review the Board's website regarding ACR at

http://www.uspto.gov/web/offices/com/sol/notices/acrognotice_rule.pdf.

If the parties agree to pursue ACR after some disclosures and discovery, they should notify the above-signed interlocutory attorney by not later than two months from the opening of the discovery period.

In this case, opposer can establish its priority in this case by making of record copies of its pleaded registrations. See *King Candy Company v. Eunice King's Kitchen, Inc.*, 182 USPQ 108 (CCPA 1974). Further, the identified clothing items in opposer's pleaded registrations are presumed to be sold through applicant's services. See *Paula Payne Products Co. v. Johnson Publishing Co.*, *supra*; *In re Elbaum*, *supra*. Accordingly, the parties were urged to focus their discovery on the extent of third party use of marks for the closely related goods and services which containing the word CITY and/or the CITI formative and the strength of opposer's pleaded marks. The Board further informed the parties that, if the parties appear to be uncooperative in discovery, the Board will not hesitate to require a telephone conference prior to the filing of

motions to compel discovery. See TBMP Section 408.01 (2d ed. rev. 2004).

The Board informed the parties that, if either party files an unconsented motion to extend in this case, the moving party must contact the Board interlocutory attorney assigned to the case by telephone upon filing so that such motion can be resolved promptly by telephone conference.

Regarding discovery depositions, pursuant to Fed. R. Civ. P. 30(b)(7), the parties may take and appear for such depositions by telephone. The parties may also appear in person for such depositions.

All dates, including the parties' deadline for serving initial disclosures, remain as set in the Board's notice instituting this proceeding order.

The Board thanks the parties for their participation.