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

Proceeding	91192099
Party	Defendant McSweet, LLC
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Date	12/29/2009
Attachments	Motion to Show Cause.pdf (5 pages)(171097 bytes) Exhibit A to Motion.pdf (4 pages)(113040 bytes)

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

In the Matter of:
Application Serial No. 77/722,272
Published in the *Official Gazette*
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McDONALD's CORPORATION,)
)
 Opposer,)
)
 v.)
)
McSWEET, LLC,)
)
 Applicant.)

Opposition No. 91192099

**APPLICANT'S MOTION FOR ORDER FOR OPPOSER TO SHOW CAUSE WHY ITS
SURRENDER FOR CANCELLATION WITHOUT THE CONSENT OF APPLICANT
SHOULD NOT RESULT IN THE ENTRY OF JUDGMENT AGAINST OPPOSER**

Applicant moves for the Board to issue an order requiring Opposer to show cause why Opposer's surrender for cancellation, without the consent of Applicant, should not result in the entry of judgment against Opposer pursuant to 37 C.F.R. § 2.134(b), TBMP § 602.02(b). Applicant has filed a corresponding Opposition to Opposer's Motion for Leave to Amend its Notice of Opposition concurrently herewith.

I. Facts

On April 24, 2009, Applicant applied to register the mark McSWEET for pickled asparagus. Serial No. 77722272.

On September 29, 2009, Opposer filed its notice opposition alleging that there was a likelihood of confusion and dilution as a result of Opposer's ownership of numerous registrations. Opposer pled twenty marks in support of its argument, claiming that the listed "registrations are valid, subsisting, and in full force and effect. . . . Each of the aforesaid

registrations is at least prima facie evidence of: (i) the validity of each registration” Notice of Opposition, ¶¶ 5-6.

On November 6, 2009, Applicant filed its answer to Opposer’s notice of opposition as well as counterclaims seeking cancellation of seven of twenty marks pled by Opposer for abandonment due to nonuse : Registration Nos. 1,118,362 for McPIZZA; 1,541,797 for McCOLA; 1,552,143 for McCHILI; 1,566,184 for McCOOKIE; 1,943,180 for McCOFFEE; and 2,289,608 for McVEGGIE BURGER, and 1,450,104 for McNUGGETS.

On December 9, 2009, Opposer filed its answer to Applicant’s counterclaims and first affirmative defense. Opposer asserted an admission that it is using all seven marks in commerce and denies abandonment. Nevertheless, on December 9, 2009, Opposer filed for the voluntary surrender of registration for six out of the seven marks as to which Applicant sought cancellation.

Opposer did not seek or obtain Applicant’s consent for voluntary surrender and does not suggest that it did.

On December 9, 2009, Opposer filed a motion for leave to amend its notice of opposition. In its motion, Opposer attempts to include a new claim, additional Trademark Trial and Appeal Board and Federal Circuit proceedings, and elects to remove ten of the twenty marks it originally pled.

II. Argument

Pursuant to 37 C.F.R. § 2.134(b), during the course of a cancellation proceeding, if the respondent has permitted its involved registration to be cancelled under Section 8 of the Trademark Act or has failed to renew its involved registration under Section 9 of the Act, then the Board may issue an order allowing respondent time to show cause why the cancellation, or

the failure to renew, should not be deemed the equivalent of a cancellation by request of respondent without the request of petitioner and should not result in entry of judgment against respondent. The purpose of this rule is “to prevent a cancellation proceeding respondent . . . from being able to moot the proceeding, and avoid judgment, by deliberately failing to file the required affidavits or renewal applications.” 37 C.F.R. § 2.134(b), TBMP § 602.02(b), *See Marshall Field & Co. v. Mrs. Fields Cookies*, 11 U.S.P.Q.2d 1154, 1989 WL 297864 at *1 (TTAB 1989).

Although the Board has not determined whether the surrender of a registration during a cancellation proceeding invokes Rule 2.134(b), it has made comparable interpretations. *See* Jeffery A. Handelman, *Guide to TTAB Practice Volume 1*, § 3.20 (2008) (Copy appended, Exh. A) regarding the discussion of *Sara Lee Corp. v. Kayser-Roth Corp.*, Cancellation No. 21,981 (TTAB Dec. 6, 1994) (respondent’s decision not to resume use of the mark during the pendency of a cancellation proceeding “can only be viewed as the equivalent of a voluntary cancellation of the registration and an attempt to moot the proceeding and thereby avoid judgment on the merits of petitioner’s claims.”) While *Sara Lee Corp. v. Kayser-Roth Corp.* is unpublished and designated as non-precedential, it may be cited for its persuasive value. *See* TMEP § 705.05.

Here, even though Opposer did not permit cancellation of the six contested marks by failing to file a Section 8 or 9, it did apply to voluntarily surrender the marks for cancellation *after* the cancellation proceeding was commenced to the same effect—mooting the cancellation proceeding and avoiding judgment. Opposer voluntarily surrendered six marks that it claims it “has used” and “denies that it has abandoned . . .” Opposer’s Answer to Applicant’s Counterclaims and First Affirmative Defense, ¶¶ 29-34. Originally, Opposer pled these marks to

bolster its argument and maintained that each pleaded mark was valid.¹ However, whether the marks are actually valid or not is a question left unanswered because Opposer deliberately surrendered the marks to avoid proving such use. Opposer should not be permitted to claim use then sidestep the cancellation proceeding altogether. If judgment is not entered forthwith under 37 C.F.R. § 2.134(a), Opposer should be ordered to show cause why its surrender for cancellation without the consent of Applicant should not result in the entry of judgment against it.

III. Conclusion

WHEREFORE, Applicant respectfully requests that the Board issue an order requiring Opposer to show cause why Opposer's surrender for cancellation, without the consent of Applicant, should not result in the entry of judgment against Opposer pursuant to 37 C.F.R. § 2.134(b), TBMP § 602.02(b). Applicant has filed a corresponding Opposition to Opposer's Motion for Leave to Amend its Notice of Opposition concurrently herewith.

Respectfully submitted,

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Dated: December 29, 2009

¹ Opposer claims that the listed "registrations are valid, subsisting, and in full force and effect . . . Each of the aforesaid registrations is at least prima facie evidence of: (i) the validity of each registration . . ." Notice of Opposition, ¶¶ 5-6.

CERTIFICATE OF SERVICE

I hereby certify that on December 29, 2009 I served a true and complete copy of the foregoing APPLICANT'S OPPOSITION TO OPPOSER'S MOTION FOR LEAVE TO AMEND ITS NOTICE OF OPPOSITION via email and First Class U.S. Mail, postage pre-paid, upon:

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MARK A. WASHBURN

EXHIBIT A

ASPEN PUBLISHERS

GUIDE TO TTAB PRACTICE

Volume 1

Jeffery A. Handelman



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2008 SUPPLEMENT

With regard to the likelihood of confusion ground, the Board observed that “respondent’s failure to file a Section 8 affidavit was the result of a deliberate business decision made well prior to the commencement of this proceeding and not for the purpose of avoiding this proceeding.”¹⁶⁷ Thus, the Board did *not* enter judgment against Mrs. Fields on the ground of likelihood of confusion. The Board noted that one of the four challenged registrations was over five years old when the cancellation petition was filed and therefore was not subject to cancellation on the basis of likelihood of confusion, while the other three registrations were less than five years old and hence could be canceled based on the likelihood of confusion ground. Accordingly, the Board gave petitioner Marshall Field an opportunity to elect whether it wished (1) to have the petition dismissed without prejudice with respect to the ground of likelihood of confusion for the remaining three registrations, or (2) to go forward for a decision on that issue.¹⁶⁸

[C] Deliberate Cancellation or Expiration of Registration

If respondent deliberately permits its challenged registration to be canceled under Section 8 or not renewed under Section 9 in an effort to moot the case and avoid having judgment entered against it in the cancellation proceeding, the Board will enter judgment against respondent and in favor of petitioner on petitioner’s pleaded claims. Such judgment would have *res judicata* effect against respondent.

In an unpublished case, *Sara Lee Corp. v. Kayser-Roth Corp.*,¹⁶⁹ Sara Lee petitioned to cancel Kayser-Roth’s registration based on both likelihood of confusion and abandonment claims. The cancellation proceeding was suspended pending the outcome of a civil action between the parties. While the proceeding was suspended, Kayser-Roth’s challenged registration was cancelled under Section 8. Kaiser-Roth argued that judgment should not be entered against it because its failure to file the Section 8 affidavit “reflects only its present decision not to resume use of the mark, and does not at all reflect upon the mark’s alleged similarity to any trademark of petitioner nor upon registrant’s alleged prior abandonment of the mark.” The Board rejected this purported showing of good and

¹⁶⁷ *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1154, 1156 (TTAB 1989).

¹⁶⁸ *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1154, 1156-57 (TTAB 1989).

¹⁶⁹ *Sara Lee Corp. v. Kayser-Roth Corp.*, Cancellation No. 21,981 (TTAB Dec. 6, 1994).

sufficient cause. In entering judgment against respondent and in favor of petitioner on petitioner's pleaded claims, the Board explained:

Respondent's failure to file the Section 8 affidavit was not the result of inadvertence or mistake, but was deliberate. Respondent's failure to file the Section 8 affidavit was not the result of a business decision, made prior to commencement of this proceeding, to abandon the registered mark; in fact, respondent denies that such prior abandonment occurred.

Indeed, respondent's 'present decision not to resume use of the mark,' a decision made during the pendency of this cancellation proceeding, can only be viewed as the equivalent of a voluntary cancellation of the registration and an attempt to moot the proceeding and thereby avoid judgment on the merits of petitioner's claims. This is precisely the result Trademark Rule 2.134 is designed to avoid.

If, during the course of a cancellation proceeding, the respondent is planning *not* to make a Section 8 or Section 9 filing for a challenged registration, it should contact petitioner and request written consent to have the registration cancelled under Trademark Rule 2.134(a). If petitioner is willing to give such consent, the registration can be surrendered for cancellation without any judgment entered against respondent.

§ 3.21 CANCELLATION OF REGISTRATIONS ON THE SUPPLEMENTAL REGISTER

[A] The Difference Between the Supplemental Register and the Principal Register

The Lanham Act provides for two trademark registers: the Principal Register, which covers full-fledged trademarks that are distinctive at the time of registration, and the Supplemental Register, a second-class register that is reserved for terms that while not yet distinctive, are "capable" of becoming so in the future through use and promotion. Thus, a mark that does not meet all the requirements for registration on the Principal Register, but that is "capable of distinguishing the applicant's goods or services," may be registered on the Supplemental Register.¹⁷⁰ Most commonly, a mark ends up on the Supplemental Register after the Examining Attorney has refused registration on the Principal Register on descriptiveness grounds.

¹⁷⁰ *In re Bush Bros. & Co.*, 884 F.2d 569, 570, 12 USPQ2d 1058, 1059 (Fed. Cir. 1989); Lanham Act § 23(a), 15 U.S.C. § 1091(a).