

ESTTA Tracking number: **ESTTA480924**

Filing date: **06/29/2012**

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

Proceeding	91194504
Party	Defendant Cimarron Lumber and Supply Company
Correspondence Address	MATTHEW B WALTERS HOVEY WILLIAMS LLP 10801 MASTIN BLVD, SUITE 1000 OVERLAND PARK, KS 66210 UNITED STATES srb@hoveywilliams.com, litigation@hoveywilliams.com, mbw@hoveywilliams.com
Submission	Motion to Suspend for Civil Action
Filer's Name	Scott R. Brown
Filer's e-mail	srb@hoveywilliams.com, litigation@hoveywilliams.com, mbw@hoveywilliams.com
Signature	/Scott R. Brown/
Date	06/29/2012
Attachments	Supplemental Exhibit w Exhibit.pdf ( 32 pages )(227006 bytes )

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

In the matter of Trademark Application No.77784368  
For the Mark: SUTHERLAND LUMBER COMPANY

Sutherland Centennial Lumber Co. LLC,	)	
Sutherland Building Materials Centers LP, and	)	
Sutherlands West Texas, Inc.	)	
	)	
Opposers,	)	
	)	
vs.	)	Opposition No. 91194504
	)	
Cimarron Lumber and Supply Company	)	
	)	
Applicant.	)	

---

**APPLICANT’S SUPPLEMENTAL EXHIBIT TO APPLICANT’S  
COMBINED MOTION TO SUSPEND PENDING  
OUTCOME OF CIVIL ACTION AND MEMORANDUM IN SUPPORT**

---

Pursuant to 37 CFR § 2.117(a) and TBMP § 510, Applicant Cimarron Lumber and Supply Company (hereinafter "Applicant"), by and through its undersigned counsel, hereby provides the Board Exhibit 2 in support of Applicant’s previously filed request for suspension of the above-captioned matter pending the disposition of the matter of *Cimarron Lumber and Supply Company v. McLiney Lumber and Supply, LLC, Sutherland Building Material Centers, L.P., Sutherlands West Texas, Inc.; and Sutherland Centennial Lumber Co., LLC.*, Civil Action No. 2:12-CV-02240-JAR-KMH, currently pending before the United States District Court for the District of Kansas (hereinafter the “Civil Action”). Attached as Exhibit 2 is a copy of the Answer and Counterclaim filed in the Civil Action. Applicant did not previously provide the Board Exhibit 2 because the Answer and Counterclaim was only filed in the Civil Action on June 28, 2012.

Dated: June 29, 2012

Respectfully submitted,

**HOVEY WILLIAMS LLP**

By: /s/ Scott R. Brown  
Scott R. Brown  
Matthew B. Walters  
10801 Mastin Blvd., Suite 1000  
Overland Park, KS 66210  
Tel: (913) 647-9050 Phone  
Fax: (913) 647-9057 Fax  
Email: [srb@hovewilliams.com](mailto:srb@hovewilliams.com)  
Email: [mbw@hovewilliams.com](mailto:mbw@hovewilliams.com)

Attorneys for Applicant  
Cimarron Lumber and Supply Company

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing, which was filed electronically with the Trademark Trial and Appeal Board, was served upon the attorney for the Opposer this 29<sup>th</sup> day of June, 2012, via U.S. Mail, postage prepaid, addressed to:

Sean T. Bradley  
Erickson, Kernell, Derusseau & Kleypas, LLC  
8900 State Line Road, Suite 500  
Leawood, Kansas 66206  
Tel: (913) 549-4700  
Fax: (913) 549-4646  
Email: [sbradley@kcpatentlaw.com](mailto:sbradley@kcpatentlaw.com)

/s/ Scott R. Brown

# **Exhibit 2**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF KANSAS  
KANSAS CITY DIVISION**

CIMARRON LUMBER AND SUPPLY  
COMPANY, a general partnership,

Plaintiff,

v.

MCLINEY LUMBER AND SUPPLY, LLC;  
SUTHERLAND BUILDING MATERIAL  
CENTERS, L.P.O.; SUTHERLANDS WEST  
TEXAS, INC.; AND SUTHERLAND  
CENTENNIAL LUMBER CO., LLC

Defendants.

JANE SUTHERLAND MCLINEY, MCLINEY  
LUMBER AND SUPPLY, LLC;  
SUTHERLAND BUILDING MATERIAL  
CENTERS, L.P.O.; SUTHERLANDS WEST  
TEXAS, INC.; AND SUTHERLAND  
CENTENNIAL LUMBER CO., LLC.

Counterclaim Plaintiffs,

v.

CIMARRON LUMBER AND SUPPLY  
COMPANY.

Counterclaim Defendant.

Civil No. 12-cv-2240 JAR/KMH

**ANSWER AND COUNTERCLAIM**

Defendants Sutherland Building Material Centers, L.P.; Sutherlands West Texas, Inc.;  
McLiney Lumber and Supply, LLC and Sutherland Centennial Lumber Co., LLC, (collectively  
“Jane Sutherland McLineys”) for their Answer and Counterclaim state as follows:

**ANSWER**

1. Jane Sutherland McLineys admit that there is a Registration of Fictitious Name for Cimarron Lumber and Supply Company first filed with the with the Missouri Secretary of State on December 1, 1998 that lists the address as 4000 Main Street; Kansas City, Missouri 64111. Jane Sutherland McLineys are without sufficient information to admit or deny the remaining allegations of paragraph 1 of the Complaint and therefore deny the allegations.

2. Jane Sutherland McLineys admit the allegations in paragraph 2 of the Complaint.

3. Jane Sutherland McLineys admit the allegations in paragraph 3 of the Complaint.

4. Jane Sutherland McLineys admit the allegations in paragraph 4 of the Complaint.

5. Jane Sutherland McLineys admit the allegations in paragraph 5 of the Complaint.

6. Jane Sutherland McLineys are more accurately referred to in the collective as the Jane Sutherland McLineys.

7. Jane Sutherland McLineys admit that Cimarron purports to assert the listed claims in paragraph 7 of the Complaint. Jane Sutherland McLineys deny the allegations in paragraph 7 of the Complaint.

8. Cimarron had been litigating since 2010 in the United States Trademark Trial and Appeal Board, opposition proceeding number 91194504. It has now filed this proceeding to start the litigation anew in another forum. Jane Sutherland McLineys deny this Court should exercise jurisdiction, but admit that this Court does have subject matter jurisdiction as alleged.

9. Jane Sutherland McLineys admit that the allegations in paragraph 9 of the Complaint.

10. Jane Sutherland McLineys deny any event ever occurred giving rise to any claims, but admit the allegations in the Complaint assert that such events occurred. Jane Sutherland McLineys deny the remaining allegations in paragraph 10 of the Complaint.

11. Jane Sutherland McLineys admit that in 1917, Robert R. Sutherland took the life insurance he received from the death of his father and together with Mae Sutherland (his wife) and her money, the two formed a fifty-fifty partnership and built a lumber yard in Oklahoma. While not always harmonious, Jane Sutherland McLineys admit that various Sutherland descendents independently opened and operated their own Sutherland lumber businesses with little or no consultation with any other family member or entity. Jane Sutherland McLineys admit that no entity coordinated any of the Sutherland stores or directed their operations. Jane Sutherland McLineys are without sufficient information to admit or deny the remaining allegations in paragraph 11 of the Complaint and therefore deny the allegations.

12. Jane Sutherland McLineys admit that Cimarron was an option from which Sutherland family members were able to purchase goods and services, although there was no requirement to do so. Jane Sutherland McLineys deny the remaining allegations in paragraph 12 of the Complaint.

13. Jane Sutherland McLineys admit that Cimarron claims to be the owner of certain trademarks. Jane Sutherland McLineys deny that any entity using a mark containing Sutherlands alone or in connection with another word or design in connection with the lumber, hardware or retail business (herein after “SUTHERLANDS marks”), did so under a license from Cimarron. Jane Sutherland McLineys deny the remaining allegations in paragraph 13 of the Complaint.

14. Jane Sutherland McLineys admit that Sutherland family members in the lumber business have used non-registered SUTHERLANDS marks since the formation of the first

Sutherland lumber store. Jane Sutherland McLineys deny the remaining allegations in paragraph 14 of the Complaint.

15. Jane Sutherland McLineys admit that Sutherland family members in the lumber business could purchase certain goods and services from Cimarron, but were under no obligation to do so. Jane Sutherland McLineys deny the remaining allegations in paragraph 15 of the Complaint.

16. Jane Sutherland McLineys admit that Cimarron claims to own certain registered marks with SUTHERLAND comprising all or a part of the mark. Jane Sutherland McLiney is without sufficient information as to whether Cimarron independently spent time, money and effort promoting the marks outside its capacity as a wholesale vendor and facilitator of goods and services and therefore denies the allegations. Jane Sutherland McLineys deny the remaining allegations in paragraph 16 of the Complaint.

17. Jane Sutherland McLineys admit that Cimarron claims to own certain registered marks with SUTHERLANDS comprising all or a part of the mark. To the extent that the Jane Sutherland McLineys are required to admit or deny the legal effect of the registrations, they admit that a presumption attaches to a bona fide registration, but deny that Cimarron truthfully represented the proper ownership of the marks to the United States Trademark Office. Jane Sutherland McLineys deny the remaining allegations in paragraph 17 of the Complaint.

18. Jane Sutherland McLineys admit that they have spent substantial sums to promote the SUTHERLANDS marks. Jane Sutherland McLineys are without sufficient information to admit or deny the extent and nature of the public's association with the SUTHERLAND marks and therefore denies the allegations. Jane Sutherland McLineys deny the remaining allegations in paragraph 18 of the Complaint.

19. Jane Sutherland McLineys admit that quality goods can be purchased through Cimarron, but that there was no obligation to do so. Jane Sutherland McLineys deny the remaining allegations in paragraph 19 of the Complaint.

20. Jane Sutherland McLineys deny the allegations in paragraph 20 of the Complaint.

21. Jane Sutherland McLineys admit that various Sutherland family members have been involved in litigation prior to litigation with the Jane Sutherland McLineys. The Jane Sutherland McLineys admit that it had been decided that the various business interests should be reorganized as a succession plan so, for example, cousins will only have to report to or take orders from, their own brothers and sisters. Jane Sutherland McLineys admit that they made plans in the event that Cimarron refused to continue to facilitate buying goods for their lumber stores or cut them off from other tax and accounting services. Jane Sutherland McLineys admit that the parties have been involved in litigation, but reached a global settlement of most of their issues. Jane Sutherland McLineys deny the remaining allegations in paragraph 21 of the Complaint.

22. Jane Sutherland McLineys admit that Cimarron sent Jane Sutherland McLineys letters unilaterally and without notice, stating that it would no longer provide certain services absent a burdensome bond. Jane Sutherland McLineys admit that a court enjoined Cimarron so as to give sufficient time to replace the services that Cimarron had been providing. Jane Sutherland McLineys deny the remaining allegations in paragraph 22 of the Complaint.

23. Jane Sutherland McLineys admit that they made an offer on property in Topeka, Kansas that was not accepted. Jane Sutherland McLineys deny the remaining allegations in paragraph 23 of the Complaint.

24. Jane Sutherland McLineys admit that they own or operate the stores listed in paragraph 24 of the Complaint. Jane Sutherland McLineys admit that they also own interests in other entities that operate what Cimarron refers to as “Authorized Stores.” Jane Sutherland McLineys deny the remaining allegations in paragraph 24 of the Complaint.

25. Jane Sutherland McLineys admit that each Sutherland family member in the lumber business was and is authorized to use the SUTHERLAND marks. Jane Sutherland McLineys admit that in 2009, Cimarron stated that it would no longer provide certain services to Jane Sutherland McLineys. Jane Sutherland McLineys deny the remaining allegations in paragraph 25 of the Complaint.

26. Jane Sutherland McLineys admit that they use certain of the SUTHERLAND marks as Sutherland family members in the lumber business. Jane Sutherland McLineys deny the remaining allegations in paragraph 26 of the Complaint.

27. Jane Sutherland McLineys admit that they use certain SUTHERLAND marks as Sutherland family members in the lumber business. Jane Sutherland McLineys deny the remaining allegations in paragraph 27 of the Complaint.

28. Jane Sutherland McLineys deny the allegation in paragraph 28 of the Complaint.

29. Jane Sutherland McLineys admit that they purchased certain generators from Cimarron before Cimarron unilaterally refused to provide any additional services to the Jane Sutherland McLineys, and sold them to people needing electrical power after an ice storm. Jane Sutherland McLineys admit that they had done this in the past with assistance from Cimarron without incident or complaint from Cimarron. Jane Sutherland McLineys are without sufficient information to admit or deny the remaining allegations in paragraph 29 of the Complaint and therefore deny the allegations.

30. Jane Sutherland McLineys admit that they own and operate a store in Mineral Wells, Texas that uses signage stating “Sutherlands”. Jane Sutherland McLineys deny the remaining allegations in paragraph 30 of the Complaint.

31. Jane Sutherland McLineys admit that Cimarron or its general partners link directly to the website operated by the Jane Sutherland McLineys and that the language is substantially similar to that used and approved in an earlier settlement with multiple parties, including Cimarron. Jane Sutherland McLineys deny the remaining allegations in paragraph 31 of the Complaint.

32. Jane Sutherland McLineys admit that Cimarron or its general partners link directly to the website operated by the Jane Sutherland McLineys and that the language is substantially similar to that used and approved in an earlier settlement with multiple parties, including Cimarron. Jane Sutherland McLineys admit that the website uses Sutherlands Marks and admits that the McLiney Sutherland family is authorized to do so. Jane Sutherland McLineys deny the remaining allegations in paragraph 32 of the Complaint.

33. Jane Sutherland McLineys admit that Cimarron or its general partners link directly to the website operated by the Jane Sutherland McLineys and that the language is substantially similar to that used and approved in an earlier settlement with multiple parties, including Cimarron. Jane Sutherland McLineys admit that at the urging of Cimarron, the Jane Sutherland McLineys and other Sutherland entities (including Cimarron) entered into a credit card agreement that contractually requires them to use and promote the SUTHERLAND marks. Jane Sutherland McLineys admit that it owns in full or interests in companies that operate multiple Sutherland lumber stores and that the parties agreed that Jane Sutherland McLineys

should promote a Sutherlands credit card in its stores. Jane Sutherland McLineys deny the remaining allegations in paragraph 33 of the Complaint.

34. Jane Sutherland McLineys admit that they registered and use several domain names that include “Sutherlands” in the domain name and that an earlier settlement with multiple parties, including Cimarron, allow such use. Jane Sutherland McLineys deny the remaining allegations in paragraph 34 of the Complaint.

35. Jane Sutherland McLineys admit that they promote their business on social media and that the addresses to certain social media include “Sutherlands” in the domain name. Jane Sutherland McLineys deny the remaining allegations in paragraph 35 of the Complaint.

36. Jane Sutherland McLineys admit that they advertised their services to customers in Joplin, Missouri given the tremendous needs that community required after the tornado that devastated that community. Jane Sutherland McLineys deny the remaining allegations in paragraph 36 of the Complaint.

37. Jane Sutherland McLineys deny their actions cause confusion. Jane Sutherland McLineys admit that each operator of Sutherland’s lumber stores may have its own policies with respect to the products carried, pricing, returns, and sales and such operators may or may not choose to accept pricing and returns made at a different Sutherlands lumber store. Jane Sutherland McLineys are without sufficient information as allegations of complaints or inquiries from specific customers or vendors and therefore denies the allegations. Jane Sutherland McLineys deny the remaining allegations in paragraph 37 of the Complaint.

38. Jane Sutherland McLineys repeat and incorporate by reference its responses to the preceding paragraphs of the Complaint.

39. Jane Sutherland McLineys deny Cimarron is the owner or exclusive owner of the Registered Marks. Jane Sutherland McLiney is without sufficient information as to whether Cimarron independently spent time, money and effort promoting the marks outside its capacity as a wholesale vendor of goods and services and as to the public's association with the Sutherland Marks therefore denies the allegations. Jane Sutherland McLineys deny the remaining allegations in paragraph 39.

40. Jane Sutherland McLineys admit that they use one or more the SUTHERLANDS marks. Jane Sutherland McLineys deny the remaining allegations in paragraph 40 of the Complaint.

41. Jane Sutherland McLineys deny the allegations in paragraph 41 of the Complaint.

42. Jane Sutherland McLineys admit that Cimarron has never controlled the nature and quality of the goods and services of the Jane Sutherland McLineys goods or services. Jane Sutherland McLineys deny the remaining allegations in paragraph 42 of the Complaint.

43. Jane Sutherland McLineys deny the allegations in paragraph 43 of the Complaint.

44. Jane Sutherland McLineys deny the allegations in paragraph 44 of the Complaint.

45. Jane Sutherland McLineys deny the allegations in paragraph 45 of the Complaint.

46. Jane Sutherland McLineys repeat and incorporate by reference its responses to the preceding paragraphs of the Complaint.

47. Jane Sutherland McLineys deny Cimarron is the owner or exclusive owner of the Registered Marks. Jane Sutherland McLineys deny that any entity using the SUTHERLANDS marks did so under a license from Cimarron. Jane Sutherland McLineys are without sufficient information to admit or deny the remaining allegations in paragraph 47 and therefore deny the allegations.

48. Jane Sutherland McLineys admit that they use one or more of the SUTHERLANDS marks. Jane Sutherland McLineys deny the remaining allegations in paragraph 48 of the Complaint.

49. Jane Sutherland McLineys deny the allegations in paragraph 49 of the Complaint.

50. Jane Sutherland McLineys admit that Cimarron has never controlled the nature and quality of the goods and services of the Jane Sutherland McLineys. Jane Sutherland McLineys deny the remaining allegations in paragraph 50 of the Complaint.

51. Jane Sutherland McLineys deny the allegations in paragraph 51 of the Complaint.

52. Jane Sutherland McLineys deny the allegations in paragraph 52 of the Complaint.

53. Jane Sutherland McLineys deny the allegations in paragraph 53 of the Complaint.

54. Jane Sutherland McLineys repeat and incorporate by reference its responses to the preceding paragraphs of the Complaint.

55. Jane Sutherland McLineys deny the allegations in paragraph 55 of the Complaint.

56. Jane Sutherland McLineys deny the allegations in paragraph 56 of the Complaint.

57. Jane Sutherland McLineys deny the allegations in paragraph 57 of the Complaint.

58. Jane Sutherland McLineys repeat and incorporate by reference its responses to the preceding paragraphs of the Complaint.

59. Jane Sutherland McLineys deny the allegations in paragraph 59 of the Complaint.

60. Jane Sutherland McLineys deny the allegations in paragraph 60 of the Complaint.

61. Jane Sutherland McLineys deny the allegations in paragraph 61 of the Complaint.

62. Jane Sutherland McLineys deny the allegations in paragraph 60 of the Complaint.

63. Jane Sutherland McLineys deny the allegations in paragraph 60 of the Complaint.

64. Jane Sutherland McLineys deny the allegations in paragraph 60 of the Complaint.

65. Jane Sutherland McLineys repeat and incorporate by reference its responses to the preceding paragraphs of the Complaint.

66. Jane Sutherland McLineys deny the allegations in paragraph 66 of the Complaint.

67. Jane Sutherland McLineys deny the allegations in paragraph 67 of the Complaint.

68. Jane Sutherland McLineys deny the allegations in paragraph 68 of the Complaint.

69. Jane Sutherland McLineys deny the allegations in paragraph 69 of the Complaint.

70. Jane Sutherland McLineys deny the allegations in paragraph 70 of the Complaint.

71. Jane Sutherland McLineys repeat and incorporate by reference its responses to the preceding paragraphs of the Complaint.

72. Jane Sutherland McLineys admit it has registered domain names. Jane Sutherland McLineys deny the allegations in paragraph 72 of the Complaint.

73. Jane Sutherland McLineys deny the allegations in paragraph 73 of the Complaint.

74. Jane Sutherland McLineys deny the allegations in paragraph 74 of the Complaint.

75. Jane Sutherland McLineys deny the allegations in paragraph 75 of the Complaint.

76. Jane Sutherland McLineys deny the allegations in paragraph 76 of the Complaint.

77. Jane Sutherland McLineys deny the allegations in paragraph 77 of the Complaint.

78. Jane Sutherland McLineys deny that Cimarron is entitled to any relief including that requested under the heading “Prayer for Relief”.

**ANSWER TO ALL ALLEGATIONS**

Jane Sutherland McLineys deny each and every allegation in the Complaint except as specifically admitted.

**AFFIRMATIVE DEFENSES**

1. Cimarron fails to state a claim upon which relief may be granted.
2. The district court lacks jurisdiction given that the parties have been before the Trademark Trial and Appeal Board since 2010 and this court should stay given that the parties are already litigating issues related to the trademark and because of the doctrine of primary jurisdiction.
3. Cimarron's claims are barred by the statute of limitations.
4. Cimarron's complaint and each and every claim alleged therein are barred by the doctrine of laches as Cimarron waited approximately three years knowing that Jane Sutherland McLineys were using the SUTHERLANDS marks, i.e. the McLiney Sutherland family name on lumber stores.
5. Cimarron's claims are barred by the doctrines of estoppel, ratification, reliance and waiver by reason of Cimarron's own conduct and the conduct of its agents and affiliates including, without limitation: in encouraging the Jane Sutherland McLineys to open stores, purchase stores and spend money to promote the Sutherland name without informing them that that their use of the SUTHERLAND marks could be revoked at Cimarron's discretion; by encouraging the Jane Sutherland McLineys to enter into contracts in which the Jane Sutherland McLineys agreed to grant GE Money Bank a royalty-free license to use the Sutherland name and binding themselves to use and promote the Sutherland name at least through January 1, 2013; Cimarron was a party to an agreement since the purported termination of the right to use the disputed trademarks in which ownership of Sutherland stores were sold to the Jane

Sutherland McLineys for valuable consideration and knew that the intention was that they would operate as Sutherland lumber yards yet it remained silent that it would dispute the use of trademarks in these stores.

6. Cimarron's claims are barred in whole or in part by the doctrine of release.

Several Sutherland entities and Cimarron entered into a master settlement agreement settling all issues with limited exceptions. All issues with respect to the websites, social media and domain names were known or should have been known at the time of the settlement and issues concerning websites, social media and domain names were not excepted in the settlement agreement and therefore are released. Indeed, Cimarron currently links to the very website it now complains about. Similarly, all issues with respect to stores opened, operated or purchased by the Jane Sutherland McLineys were known and have been released.

7. The Jane Sutherland McLiney Sutherlands are entitled to use the SUTHERLAND marks at least until the termination of the credit card agreement with GE Money Bank in that the agreement binds Cimarron, the Jane Sutherland McLineys and other Sutherland entities to actively promote, support and encourage the use of a Sutherlands credit card through advertising on websites and otherwise.

8. Cimarron's claims are barred or diminished in that Cimarron obtained a registration by making misrepresentations to the United States Trademark Office and by failing to disclose the defendant's rights to use marks incorporating SUTHERLANDS in the lumber business.

9. Cimarron's complaint is barred in that Cimarron is guilty of unclean hands by wrongly or fraudulently procuring a federal registration and then bringing suit based on that registration.
10. Jane Sutherland McLineys own a common law right to use the mark SUTHERLANDS and marks incorporating SUTHERLANDS in them in connection with the lumber business. The Jane Sutherland McLineys have used SUTHERLANDS in markets and such use predates any federal registration of such marks and therefore they own the right to continue using the marks in such markets.
11. To the extent that confusion exists, which is specifically denied, it exists as a result of the individual Sutherland stores failing to act as a unified whole.
12. Cimarron has failed to enforce and maintain uniform standards of use for the trademark.
13. Jane Sutherland McLineys' use of the mark at issue is fair use.
14. Cimarron is not the true owner of the marks at issue.
15. To the extent that Cimarron owns an interest in the SUTHERLANDS marks, Cimarron is not the exclusive owner of such marks.
16. Given the division among several Sutherland family members and the independent operation of their stores, SUTHERLANDS as a mark when used alone or with other words or phrases is nebulous or ambiguous as to its reference to a single entity or otherwise use as a trademark.
17. Cimarron failed to police the SUTHERLANDS marks or control the use, quality and criteria for using for using the marks.

18. Upon information and belief, Cimarron did not use the SUTHERLANDS marks or such use was negligible.
19. Jane Sutherland McLineys' were, at all times, within their rights to use the trademarks and other intellectual property in dispute.

WHEREFORE, the Jane Sutherland McLineys pray that Cimarron's Complaint be dismissed with prejudice, the Cimarron take nothing, that the costs and expenses of this action be assessed against Cimarron, that the Court award Jane Sutherland McLineys their costs and attorney fees and such other relief as the Court may deem just and proper.

### **COUNTERCLAIM**

Defendants and counterclaim plaintiffs, Jane Sutherland McLiney, Sutherland Building Material Centers, L.P., Sutherlands West Texas, Inc., McLiney Lumber and Supply, LLC, and Sutherland Centennial Lumber Co., LLC ("Jane Sutherland McLineys"), for their counterclaim against plaintiff and counterclaim defendant Cimarron Lumber and Supply Company ("Cimarron"), state and allege as follows:

#### **Parties, Jurisdiction and Venue**

1. Counterclaim plaintiff Jane Sutherland McLiney is a Kansas resident living in Kansas.
2. Counterclaim plaintiff McLiney Lumber and Supply, LLC is a Kansas limited liability company with a principal place of business in Prairie Village, Kansas.
3. Counterclaim plaintiff Sutherland Building Material Centers L.P. is a Texas limited liability company with a principal place of business in Prairie Village, Kansas.

4. Counterclaim plaintiff Sutherlands West Texas, Inc. is a Texas corporation with a principal place of business in Prairie Village, Kansas.

5. Counterclaim plaintiff Sutherland Centennial Lumber Co., LLC is a Missouri limited liability company with a principal place of business in Prairie Village, Kansas.

6. The counterclaim plaintiffs will be referred to collectively as the Jane Sutherland McLineys.

7. Upon information and belief, counterclaim defendant is a Missouri general partnership with a principal place of business in Kansas City, Missouri.

8. To the extent that this Court allows the counterclaim plaintiff to avoid the Trademark, Trial and Appeal Board Proceeding that the parties have been litigating on the issue of the trademark and to start anew in this Court, this Court has jurisdiction over the subject matter of the counterclaim pursuant to 15 U.S.C. § 1121; 28 U.S.C. § 1331; 28 U.S.C. §§ 1338, 1367 & § 2201.

9. Cimarron is subject to venue in this district because it chose to bring this action in this Court and a substantial part of the events or omissions giving rise to the claim occurred in this judicial district under 28 U.S.C. § 1391(b) & (c).

### **Factual Background**

10. In 1917, Robert R. Sutherland took the life insurance he received from the death of his father and together with his wife, Mae G. Sutherland and her money, the two formed a fifty-fifty partnership and built a lumber yard in Oklahoma. Over the years, their descendents have been free to open Sutherland lumber stores with little or no consultation with other family members. Jane Sutherland McLiney is the granddaughter of Robert Sutherland and his wife. Like her father and later, her brothers and other descendents of Robert Sutherland, her family has opened, owned, in whole or in part, multiple Sutherland lumber stores for decades.

11. Unlike a Lowe's or a Home Depot, there is no central governing body that controls each of the Sutherland stores. Each Sutherland family member in the lumber business decides where to open a store, what products mix to carry, the pricing, advertising, when to offer a sale and establish its own return policy. Although some stores cooperate with each other, a customer seeing an advertisement for one Sutherland store may find that the offering will not be honored at another Sutherland store or that one store chooses not to accept a return for a product purchased at another Sutherland store.

12. Cimarron has served as a wholesale vendor services and offered certain administrative services. A family member in the lumber business could buy some or all of their store inventory and purchase the offered administrative services through Cimarron, but there was no requirement that any family member do so. There were no written contracts or other agreements with the Jane Sutherland McLineys obligating Cimarron to provide or the Jane Sutherland McLineys to purchase such services.

13. Cimarron did not direct any family member what products to carry, what prices to charge for each product, direct when a sale would run or dictate how any of the store should

appear. As Cimarron freely admits, there were no written contracts or other agreement binding any of the parties.

14. Nor was there an agreement to give Cimarron or other entity ownership of any marks containing SUTHERLANDS alone or in connection with other words and designs for their lumber, hardware and retail business (hereinafter “SUTHERLAND marks”). No written contract or other agreement exists in which the Sutherland family members assigned trademark rights to Cimarron. Likewise, there is no written contract or other agreement in which Cimarron licensed the family members the right to use any trademarks.

15. Instead, any Sutherland family member in the lumber business was free to use SUTHERLANDS marks.

16. Indeed, Cimarron recognized in another context in its general partnership agreement that a “Sutherland’s Company” is simply a corporation, partnership or proprietorship which owns and operates one or more retail lumberyards in which more than 50% ownership is held directly or beneficially by Helen D. Sutherland, Sam C. Pearson, Norma H. Sutherland, Barbara B. Sutherland and or descendants of Mae G. Sutherlands. This is consistent with the history of allowing Sutherland family members to operate Sutherland lumber stores. Jane Sutherland McLiney entities all meet the criteria to be a “Sutherlands” entity.

17. Further, each family member chose how to use the SUTHERLAND marks. Indeed, the use of the marks varied in color, style and design among the different Sutherland stores.

18. Cimarron’s involvement with the SUTHERLAND trademarks is much more recent and likely began in November 2008:

- a. Without notifying the Jane Sutherlands McLineys, Sutherland Lumber & Home Center, Inc. registered a mark for SUTHERLANDS CENTRAL, registration number 1,823,940, and for SUTHERLANDS EXPRESS, registration number 2,501,549, in 1994 and 2001 respectively. Both marks were for “retail lumber building supply and home improvement store service.” Sutherland Lumber & Home Center, Inc. claimed to be the exclusive owners of the marks without opposition from Cimarron.
- b. It was not until November 13, 2008, that these two marks were assigned to Cimarron -- again, without notice to Jane Sutherland McLineys.
- c. Also on November 13, 2008, Cimarron filed to register (again without notice) the SUTHERLANDS mark. In June 2009, the mark was registered, number 3,635,248 along SUTHERLANDS PRO, registration number 3,638,652 in June 2009.

19. Just days after the U.S. Trademark Office registered the SUTHERLANDS mark, Cimarron sent the Jane Sutherland McLineys letters stating that it would no longer provide: “wholesale purchasing and distribution of lumber and building supplies, certain tax, accounting, administrative, IT services, inventory, calculation services, management and related services.” It also terminated the office space arrangements as of July 31, 2009. There is no mention of any trademarks in the multiple letters that Cimarron and Jane Sutherland McLiney’s brothers and certain relatives caused to be sent.

20. When the Jane Sutherland McLineys learned of Cimarron’s representations to the United States Trademark Office (TTAB) that it was the exclusive owner of the mark, it brought a

proceedings in 2010 before that Board. Plaintiff has filed this lawsuit so as to stay the TTAB proceedings and begin litigation anew.

## COUNT I

### **Conversion & Unfair Competition**

21. Jane Sutherland McLineys repeat and reallege each preceding allegation as if fully set forth herein.

22. The Sutherland lumber stores have operated independently from each other and any Sutherland family member in the lumber business was free to use the SUTHERLANDS marks. At the very least, Jane Sutherland McLiney entities are each “Sutherland” entities as they are owned by descendents of Robert and Mae Sutherland and as such are entitled to use the marks.

23. Since the opening of the first Sutherland lumber store, the family has agreed and allowed a family member in the lumber business to open and operate a Sutherland lumber store. There were no other requirements to being able to use the SUTHERLANDS marks.

24. The SUTHERLANDS marks were developed for the benefit of all Sutherland family members in the lumber business and were the property of those family members and their descendents in common.

25. The Jane Sutherland McLineys have opened multiple Sutherland lumber stores, used one or more of the SUTHERLANDS marks for decades and promoted such marks in advertising and other efforts.

26. Cimarron has infringed, converted and unfairly competed by attempting to arrogate ownership of this jointly owned property to itself at the exclusion of the Jane Sutherland McLineys.

27. The conduct of Cimarron has damaged the Jane Sutherland McLineys and Cimarron is liable under the unfair competition laws and for conversion as a primary and contributory infringer for its actions and entitling the Jane Sutherland McLineys to injunctive relief and damages.

## COUNT II

### Declaration of Joint Ownership

28. Jane Sutherland McLineys repeat and reallege each preceding allegation as if fully set forth herein.

29. The Sutherland lumber stores have operated independently from each other and any Sutherland family member in the lumber business was free to use the SUTHERLANDS marks. At the very least, Jane Sutherland McLiney entities are each considered “Sutherland” entities as they are owned by descendents of Robert and Mae Sutherland and as such are entitled to use the marks.

30. Since the opening of the first Sutherland lumber store, the Sutherland family has agreed and allowed a family member in the lumber business to open and operate a Sutherland lumber store. There were no other requirements to being able to use the SUTHERLANDS marks.

31. The SUTHERLANDS marks were developed for the benefit of all Sutherland family members in the lumber business and were the property of those family members and their descendents in common.

32. The Jane Sutherland McLineys are owned or controlled by Jane Sutherland McLiney’s family and under their leadership and over the course of decades, have opened

multiple Sutherland lumber stores, used one or more of the SUTHERLANDS marks, and promoted such marks in advertising and other efforts.

33. As such, the Jane Sutherland McLineys are joint owners of the SUTHERLANDS marks.

34. Cimarron's filing of the present lawsuit alleging infringement creates an actual controversy regarding the Jane Sutherland McLineys' joint ownership of the SUTHERLANDS marks.

35. The Jane Sutherland McLineys' are entitled to a declaration that they are joint owners of the SUTHERLANDS marks with other persons and entities.

### **COUNT III**

#### **Declaration of Common Law Ownership**

36. Jane Sutherland McLineys repeat and reallege each preceding allegation as if fully set forth herein.

37. The Sutherland lumber stores have operated independently from each other and any Sutherland family member in the lumber business was free to use the SUTHERLANDS marks. At the very least, Jane Sutherland McLiney entities are each considered "Sutherland" entities as they are owned by descendants of Robert and Mae Sutherland.

38. Since the opening of the first Sutherland lumber store, the Sutherland family has agreed and allowed a family member in the lumber business to open and operate a Sutherland lumber store. There were no other requirements to being able to use the SUTHERLANDS marks.

39. The SUTHERLANDS marks were developed for the benefit of all Sutherland family members in the lumber business and were the property of those family members and their descendents in common.

40. The Jane Sutherland McLineys are owned or controlled by Jane Sutherland McLiney's family and under their leadership over the course of decades, have opened multiple Sutherland lumber stores, used one or more SUTHERLANDS marks and promoted such marks in advertising and other efforts.

41. The Jane Sutherland McLineys have operated in certain markets promoting, at their expense, the SUTHERLAND marks such that they identify the Jane Sutherland McLineys in those markets for lumber and retail operations.

42. The Jane Sutherland McLineys' use of the SUTHERLANDS marks in those markets predates such use by Cimarron and as such, the Jane Sutherland McLineys are common law owners of the SUTHERLANDS marks.

43. Cimarron's filing of the present lawsuit alleging infringement creates an actual controversy regarding the Jane Sutherland McLineys' common law ownership of the SUTHERLANDS marks.

44. The Jane Sutherland McLineys' are entitled to a declaration that they are common law owners of the SUTHERLANDS marks.

#### **COUNT IV**

##### **Tortious Interference**

45. Jane Sutherland McLineys repeat and reallege each preceding allegation as if fully set forth herein.

46. Jane Sutherland McLineys purchased products from vendors labeled with the Sutherlands mark. It had a reasonable expectancy that the relationship would continue.

47. Upon information and belief, Cimarron or its agents, told such vendors not to provide products labeled with the SUTHERLANDS marks to the Jane Sutherland McLineys and threatened legal action causing the vendors to stop doing business with the Jane Sutherland McLineys.

48. Cimarron caused the vendors to stop doing business with the Jane Sutherland McLineys despite that Jane Sutherland McLineys had the right to use such marks. Cimarron's actions were not justified.

49. Jane Sutherland McLineys sustained damage as a direct and proximate cause of such actions and are entitled to injunctive and monetary relief.

#### **COUNT V**

##### **Declaration to Cancel or Revise Registered Sutherlands Marks**

50. Jane Sutherland McLineys repeat and reallege each preceding allegation as if fully set forth herein.

51. The Sutherland lumber stores have operated independently from each other and any Sutherland family member in the lumber business was free to use the SUTHERLANDS marks. At the very least, Jane Sutherland McLiney entities are each considered "Sutherland" entities as they are owned by descendents of Robert and Mae Sutherland.

52. Since the opening of the first Sutherland lumber store, the Sutherland family has agreed and allowed a family member in the lumber business to open and operate a Sutherland lumber store. There were no other requirements to being able to use the SUTHERLANDS marks.

53. The SUTHERLANDS marks were developed for the benefit of all Sutherland family members in the lumber business and were the property of those family members and their descendents in common.

54. The Jane Sutherland McLineys are owned or controlled by Jane Sutherland McLiney's family and under their leadership and over the course of decades, have opened multiple Sutherland lumber stores, used one or more of the SUTHERLANDS marks, promoted such marks in advertising and other efforts.

55. The Jane Sutherland McLineys have operated in certain markets promoting, at their expense, the SUTHERLAND marks such that they identify the Jane Sutherland McLineys in those markets for lumber and retail operations.

56. The Jane Sutherland McLineys' have ownership rights to use of the SUTHERLANDS marks, which are at odds to the representations that were made, without notice to the Jane Sutherland McLineys, to the United States Trademark Office.

57. If the representations had been accurate, the USPTO would not have or should not have issued registrations to the exclusion of the Jane Sutherland McLineys:

- a. Registered mark 1,823,940 for SUTHERLANDS CENTRAL
- b. Registered mark 2,501,549 for SUTHERLANDS EXPRSS
- c. Registered mark 3,635,248 for SUTHERLANDS and
- d. Registered mark 3,638,652 for SUTHERLANDS PRO

58. The representations were fraudulently or alternatively, negligently made. As to the marks it applied for, Cimarron was aware that the Jane Sutherland McLineys were using the marks in connection with the lumber, hardware and retail business at the time the federal application was signed by Cimarron;, Jane Sutherland McLiney's rights were equal to or superior

to Cimarron's rights; Cimarron had no reasonable basis that it could assert ownership rights in the marks to the exclusion of the Jane Sutherland McLineys and failed to disclose this knowledge with the intent to obtain a registration to which it was not entitled to alone. With respect to the marks that were assigned to it, Cimarron failed correct representations that Sutherland Lumber & Home Center, Inc. was entitled to use SUTHERLANDS CENTRAL or SUTHERLANDS EXPRESS to the exclusion of any other Sutherlands family member or entity controlled by such family members.

59. The Jane Sutherland McLineys' are entitled to a declaration that those registrations should be cancelled or revised to reflect ownership by the Jane Sutherland McLineys.

### **JURY TRIAL DEMANDED**

Jane Sutherland McLineys demand a jury trial on all issues raised in this case whether raised in the Complaint or Counterclaim.

### **PRAYER FOR RELIEF**

WHEREFORE, Jane Sutherland McLineys pray that this Court enter judgment in its favor and against Cimarron as follows:

- a. Preliminarily and permanently enjoin Cimarron and its partners, agents, servants, employees, and attorneys and all persons in active concert or participation with it or acting for, with, by, through, or under it, from infringing and claiming exclusive ownership of any mark containing SUTHERLANDS alone or with other words or designs; from unfair

competition with Cimarron; from falsely telling vendors, customers and the public at large that Jane Sutherland McLineys do not have the right to use such marks;

- b. An award and accounting of Cimarron's profits, and any damages sustained by Jane Sutherland McLineys and that all profits or damages be trebled, the costs of this action, and Jane Sutherland McLineys attorney's fees;
- c. Award Jane Sutherland McLineys punitive damages for acts of unfair competition and conversion;
- d. Declare that Jane Sutherland McLineys are joint owners of the marks containing SUTHERLANDS alone or with other words or designs in connection with the lumber business;
- e. Declare that Jane Sutherland McLineys are common law owners of the marks containing SUTHERLANDS alone or with other words or designs in connection with the lumber, hardware and retail business;
- f. Cause the marks registered with the United States Patent and Trademark Office to be cancelled or revised to reflect the Jane Sutherland McLineys' rights to continue using such marks.
- g. Grant such other and further relief as may be equitable and proper.

Respectfully submitted,  
FINCH & CAMPBELL LLP

/s/ David L. Rein Jr.

---

David L. Rein, Jr. #16071  
1220 Washington Street, Suite 202  
Kansas City, MO 64105  
(816) 285-7796  
Fax (816) 285-7799  
drein@finchcampbell.com

Attorney for Jane Sutherland McLiney, Sutherland  
Building Material Centers, L.P.; McLiney Lumber  
and Supply, LLC

FRANKE SHULTZ & MULLEN, P.C.

/s/ John Mullen

---

John Mullen #22994  
8900 Ward Parkway  
Kansas City, MO 64101  
(816) 421-7100  
Fax (816) 421-7915

Attorney for Sutherlands West Texas, Inc.; and  
Sutherland Centennial Lumber Co., LLC

**CERTIFICATE OF SERVICE**

I, David L. Rein, Jr., an attorney, hereby certify that, on June 28, 2012, I caused a copy of the **ANSWER AND COUNTERCLAIM** of Defendants Sutherland Building Material Centers, L.P., Sutherlands West Texas, Inc., McLiney Lumber and Supply, LLC and Sutherland Centennial Lumber Co., LLC, to be electronically filed with the Clerk of the Court through CM/CEF, which provides service on Plaintiff's counsel and each attorney registered for ECF notification.

Scott R. Brown  
Matthew B. Walters  
HOVEY WILLIAMS LLP  
10801 Mastin Boulevard, Suite 1000  
84 Corporate Woods  
Overland Park, Kansas 66210  
srb@hoveywilliams.com  
mbw@hoveywilliams.com  
(913) 647-9050  
(913) 647-9057 (fax)  
Attorneys for Plaintiff

/s/ David L. Rein Jr.

\_\_\_\_\_  
Attorney