

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

Mailed: September 4, 2012

Opposition No. **91200832**
(parent)

Briggs & Stratton Corporation

v.

Honda Giken Kogyo Kabushiki
Kaisha (Honda Motor Co., Ltd.)

Opposition No. 91200146

Kohler Co.

v.

Honda Giken Kogyo Kabushiki
Kaisha (Honda Motor Co., Ltd.)
a Motor Co., Ltd.)

Cheryl S. Goodman, Interlocutory Attorney:

This case now comes up on opposers' motion, filed June 7, 2012, to amend the notices of opposition. The motion is fully briefed. Also before the Board is opposer's motion, filed August 31, 2012, for leave to amend the suspension order to allow the filing of summary judgment on the basis of functionality.

Opposers seek to add the additional grounds of abandonment, genericness and failure to use the mark as a trademark or service mark, due to recently learning of the factual basis for these grounds during discovery. Opposers

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state that through discovery of third party settlement agreements opposers learned that applicant has permitted "several third parties to manufacture and sell engines in the United States with designs that incorporate many or all of the elements of the Applicant's Mark." Opposers also state that applicant's website provides further evidence of the abandonment claim. Opposers further argue that the facts supporting these claims will not prejudice applicant as discovery remains open and the proposed amendments will not require any change to the scheduling order as applicant "has always been aware of the facts that underlie them."

In response, applicant complains that opposers have unduly delayed by waiting "nearly a year to add grounds for their Opposition based on facts that were known to them or could have been known with the exercise of reasonable diligence." Applicant contends that opposers' claim that they recently learned of these facts in discovery is "perplexing" because opposers' original notices of opposition already contain allegations which form the basis of these proposed new claims and the fact that "they may have obtained additional information in discovery... does not excuse their failure to assert these grounds previously." Applicant also submits that opposers' discovery responses "suggest they were aware of third party designs that they contend were uses of the claimed mark by

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others" and that the other basis for these claims, statements on applicant's website, were available at the commencement of these opposition proceedings. Applicant also argues that the proposed amendments are futile as "the evidence Opposers contend support their theory of acquiescence shows the opposite" and introduction of new engine designs does not constitute abandonment of trade dress. Applicant submits that "opposers have failed to identify any evidence that supports their request for leave to amend."

In reply, opposers argue that applicant has effectively conceded that it will not suffer any prejudice in allowing the amendment, having not pointed to any prejudice in its response. Opposers indicate in their reply that they learned of these new claims when they received applicant's discovery responses in April 2012 and May 2012. Opposers advise that the third party settlement agreements were produced four to five months after discovery responses were due as the parties made attempts to settle the matter. With regard to applicant's website, opposers state that the design on applicant's website is "merely additional evidence that reinforces the claims" learned from applicant's recently provided discovery responses. Opposers further contend that even if it could be argued that opposers delayed in seeking leave to amend, delay alone is not enough

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to deny their motion. As to the sufficiency of the amendments, opposers submit that applicant has not argued that opposers failed to plead the necessary elements but has argued the merits with regard to its assertion that the amendments are futile.

The Board liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party. Fed. R. Civ. P. 15(a); TBMP Section 507.02 (3d ed. rev. 2012). The timing of a motion for leave to amend is a major factor in determining whether the adverse party would be prejudiced by allowance of the proposed amendment. *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1505-6 (TTAB 1993). The Board will generally grant a motion for leave to amend when the proceedings are still in the pre-trial phase. See e.g., *Polaris Industries v. DC Comics*, 59 USPQ2d 1798, 1799 (TTAB 2001) (finding no prejudice in allowing amendment of complaint where motion was filed prior to the close of discovery and opposer stipulated to an extension of discovery). In deciding opposers' motion for leave to amend, the Board must consider whether there is any undue prejudice to applicant and whether the amendment is legally sufficient. See *Cool-Ray, Inc. v. Eye Care, Inc.*, 183 USPQ 618 (TTAB 1974).

First, as applicant noted, opposers' pleadings use some of the same set of facts to assert these claims. Merely stating alternative legal theories for recovery on the same underlying facts generally is not considered prejudicial when seeking leave to amend. *See Foman v. Davis*, 371 U.S. 178, 182, (1962) (abuse of discretion to deny a petitioner's motion to amend the complaint to state an alternative legal theory for recovery, based on the same set of facts); *Lowrey v. Texas A & M University System*, 117 F.3d 242 (5th Cir. 1997) (finding no prejudice in granting leave to amend where proposed amendment merely stated alternative legal theories for recovery on the same underlying facts, rather than fundamentally altering the nature of the case).

Additionally, the Board is not persuaded that the factual basis for the allegations of genericness or abandonment would have been revealed merely from a knowledge of third party uses without obtaining discovery of third party settlement agreements, or that the alleged abandonment of applicant's mark could be determined merely from viewing applicant's website without additional discovery obtained from applicant. In this case, the record reveals that opposers obtained the information necessary by May 2012 to assert their claims after the production of documents and other discovery responses from applicant, and opposers' motion for leave to amend was filed in early June 2012

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before the close of discovery. In addition, during the pendency of the motion to amend, the parties stipulated to extend dates in this proceeding and discovery was then set to close on October 28, 2012. Moreover, the concept of "undue delay" is inextricably linked with the concept of prejudice to the non-moving party and, in this case, the Board finds no such prejudice to applicant given that the motion for leave to amend was filed promptly after receipt of applicant's discovery responses and discovery remains open in the consolidated proceedings.

Turning to the question of futility of the amendment, to survive such a charge that its amendment is "futile," a "party must demonstrate that its pleading states a claim on which relief could be granted...." *Kemin Foods, L.C. v. Pigmentos Vegetales Del Centro S.A. de C.V.*, 464 F.3d 1339, 80 USPQ2d 1385, 1396 (Fed. Cir. 2006). This standard is the same standard of legal sufficiency that applies under Rule 12(b)(6). *Merck & Co., Inc. v. Apotex, Inc.*, 287 Fed. Appx. 884, 888 (Fed. Cir. 2008) (citing *In re Burlington Coat Factory Sec. Litig.*, 114 F.3d 1410, 1434 (3d Cir. 1997)). A complaint will survive a Fed. R. Civ. P. 12(b)(6) motion if it contains sufficient factual matter, accepted as true, for purposes of the motion, to "state a claim to relief that is plausible on its face." *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570, (2007). Thus, on a motion for leave to amend, the

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Board need not determine the merits of the proposed claim, but merely satisfy itself that the plaintiff has alleged sufficient facts to state a claim upon which, if proved, relief can be granted. *Polaris Industries Inc.*, 59 USPQ2d at 1799 n.4.

The Board finds that applicant's arguments as to the futility of granting opposers' amendments relate only to the merits of the proposed claims and therefore the Board is unpersuaded on this basis that opposers' proposed amendments are futile. Nonetheless, the Board must examine the pleadings to determine whether the newly pleaded claims are sufficient.

Each opposer filed separate amended pleadings, incorporating the allegations from their earlier pleadings and adding new allegations to support the additional claims. (These pleadings will be referred to as "Kohler's amended notice of opposition" and "Briggs and Stratton's amended notice of opposition" infra).

Genericness Claim

With regard to the genericness claim, it appears that the basis for Kohler's claim is that the product design is so common in the industry it cannot identify a particular source. Kohler's amended notice of opposition, paragraphs 4-5 and 13. See *Stuart Spector Designs Ltd. v. Fender Musical Instruments Corp.*, 94 USPQ2d 1549, 1555 (TTAB 2009)

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quoting Walker & Zanger Inc v. Paragon Industries Inc., 465 F. Supp.2d 956, 84 USPQ2d 1981, 1985 (N.D. Cal. 2006), opinion corrected and superseded by *Walker & Zanger, Inc. v. Paragon Industries, Inc.* 549 F. Spp.2d 1168, 1175 (N.D. Cal. 2007) (“Cases addressing product design suggest that the term ‘genericness’ covers three situations: (1) if the definition of a product design is overbroad or too generalized; (2) if a product design is the basic form of a type of product; or (3) if the product design is so common in the industry that it cannot be said to identify a particular source”). These allegations are sufficient to state a claim of genericness of the product design.

Briggs and Stratton’s amended notice of opposition, on the other hand, provides no factual basis for the genericness claim and accordingly, is insufficient.

Abandonment - Course of Conduct

To state a claim of abandonment based on course of conduct, opposers must plead facts which show a course of conduct by applicants which has caused applicant's mark to lose its trademark significance. *TBC Corp. v. Grand Prix Ltd.*, 12 USPQ2d 1311, 1314 (TTAB 1989). The Board finds that the allegations in paragraph 10 and 12 of Kohler’s amended notice of opposition and paragraphs 5 and 7 of Briggs and Stratton’s amended notice of opposition are sufficient to allege such a claim.

Abandonment - non-use or discontinued use

It appears that based on their motion papers, what opposers seek to allege is that applicant's mark has been abandoned because, as currently used, it no longer contains essential characteristics of the applied for mark nor retains its original impact nor evokes the same commercial impression. See opposers' reply at p. 5 " it also appears that in the new GX design, Honda has actually abandoned important features of the Mark that are described in the Application". See *Ilco Corporation v. Ideal Security Hardware Corporation*, 527 F.2d 1221, 188 USPQ 485, 487(C.C.P.A. 1976) ("the law permits a user who changes the form of its mark to retain the benefit of its use of the earlier form, without abandonment, if the new and old forms create the same, continuing commercial impression"); *Humble Oil & Refining Co. v. Sekisui Chemical Co.*, 165 USPQ 597, 603-604 (TTAB 1970) (for continuity of trademark rights, the only requirement for changing the display of a mark is that it be modified in such a fashion so as to retain its trademark impact and symbolize a single and continuing commercial impression).

However, the allegation in opposers' notices of opposition appear to allege a claim of abandonment based on non-use or discontinued use, namely, opposers' pleadings allege that applicant redesigned its horizontal shaft

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engines and applicant no longer uses the claimed engine configuration in U.S. commerce. Kohler's amended notice of opposition paragraph 11; Briggs and Stratton's amended notice of opposition, paragraph 6.

To state a prima facie claim of abandonment based on non-use or discontinued use, opposers must allege at least three consecutive years of non-use or must set forth facts that show a period of non-use less than three years coupled with an intent not to resume use. *Otto International Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1863 (TTAB 2007).

To the extent the abandonment claim is based on less than three years discontinued use, opposers' abandonment claims are insufficient because there is no allegation of an intent not to resume use; alternatively to the extent the discontinued use is for a period of three years, opposers' allegations are insufficient because there is no specific allegation of three years non-use. *Otto International Inc.*, 83 USPQ2d at 1863. Therefore, the abandonment claim based on discontinued use is insufficient in both opposers' amended notices of opposition.

In addition, to the extent that opposers seek to allege that applicant's mark has been abandoned because, as currently used, it no longer contains essential characteristics of the applied for mark nor retains its original impact nor evokes the same commercial impression,

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the Board finds no such allegations are present in the amended notices of opposition.

Failure to use the mark as a trademark or service mark

In the motion to amend, opposers state that "by acquiescing in the common use of the engine design by competitors, Honda has failed to use the Mark as shown and described in the Application as a trademark or service mark." Based on the statement in the motion papers, the Board construes the allegation in paragraph 14 of Kohler's amended notice of opposition and paragraph 9 of Briggs and Stratton's amended notice of opposition to be an additional allegation for purposes of the genericness claim i.e., generic use which impacts its significance as a mark or misuse of the mark which jeopardizes trademark significance, rather than a separate claim for relief.¹ Cf., *Flowers Industries Inc. v. Interstate Brands Corp.*, 5 USPQ2d 1580, 1589 (TTAB 1987) (finding no difference between applicant's manner of use and those of opposer's and third parties with respect to the designation Honey Wheat and finding the term descriptive for bread products).

To the extent that the parties are seeking to assert a claim relating to the manner of applicant's use apart from the genericness claim, i.e., the manner in which the

¹ However, it is not clear from the opposers' pleadings that the acquiescence allegation also relates to the allegation of failure to use the mark as a trademark or service mark.

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applied-for-mark is being used does not support a finding that potential consumers would perceive it as a trademark, the Board finds that there are no additional factual allegations which support such a claim.

Accordingly, the Board finds that opposers have not sufficiently alleged facts in their amended notices of opposition to set forth a separate claim of failure to use the mark as a trademark or service mark.

In summary, the Board finds no prejudice to applicant in allowing amendment of the notices of opposition; however the Board does find that some of the claims for which opposers seek leave to amend are insufficient.

In view thereof, the motion for leave to amend is denied. However, if justice requires, the Board generally allows plaintiffs an opportunity to file an amended pleading when found insufficient. TBMP Section 503.03 (3d ed. rev. 2012). Accordingly, opposers are granted leave to amend to file second amended notices of opposition to correct the deficiencies identified herein.

This consolidation is somewhat unusual in that the opposers are different parties, represented by different counsels, with the junior case designated as the parent case as opposers agreed that counsel for the later-filed proceeding would be designated as lead counsel for purposes

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of mailed correspondence. The parties are reminded that filings are to be made in the parent case 91200832 only.²

Turning to opposers' motion for leave to file a motion for summary judgment while the motion to compel is pending and a suspension order has issued, the rule regarding motions to compel is clear that "[w]hen a party files a motion for an order to compel . . . discovery, the case will be suspended by the Board with respect to all matters not germane to the motion. *After the motion is filed and served, no party should file any paper that is not germane to the motion, except as otherwise specified in the Board's suspension order.*" (emphasis added). Trademark Rule 2.120(e)(2). The suspension order does not provide for the filing of any papers not germane to the motion to compel. Accordingly, the motion for leave is denied. Opposers are free to file such a motion after resolution of the motion to compel, once proceedings resume.

The Board advises the parties that the operative pleadings remain the original notices of opposition due to the insufficiencies identified herein with regard to the amended notices of opposition. In view of opposers' intention to file a motion for summary judgment on the

² Presently, motion papers have been filed in both parent and child cases with respect to the motion for leave to amend, with some of the confidential filings in the child, rather than parent case. Additionally, the confidential version of the recently

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initial pleaded ground of functionality it is unclear why the parties desire to add numerous additional grounds to the pleading.³ Nonetheless, the Board may set the time to file amended notices of opposition after consideration of the motion to compel.

Proceedings herein remain suspended pending disposition of the motion to compel.

filed motion to compel has been filed in the child rather than the parent case.

³ It does not appear that the opposers intend to file summary judgment on any of the new grounds proposed for the amended notices of opposition, which if so filed under the original notices of opposition, would be an unpleaded claim. If opposers no longer desire to add these additional grounds to the notices of opposition they should so advise the Board.