

ESTTA Tracking number: **ESTTA657047**

Filing date: **02/20/2015**

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

Proceeding	91205331
Party	Defendant Kerry Earnhardt, Inc.
Correspondence Address	CARY B DAVIS ROBINSON BRADSHAW HINSON PA 101 NORTH TRYON ST, SUITE 1900 CHARLOTTE, NC 28246-0106 UNITED STATES cdavis@rbh.com, bsanders@rbh.com, mtalley@rbh.com
Submission	Other Motions/Papers
Filer's Name	Jennifer Carusone
Filer's e-mail	jcarusone@rbh.com
Signature	/Jennifer Carusone/
Date	02/20/2015
Attachments	Redacted_Applicant's Response to Opposer's Objections and Motion to Strike Applicant's Second and Third Notice of Reliance.pdf(584079 bytes)

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

TERESA H. EARNHARDT,

Opposer,

v.

KERRY EARNHARDT, INC.,

Applicant.

Consolidated Opposition Nos.:
91205331 (parent) and 91205338

In the matter of:

Application Serial No. 85/383,910
Trademark: EARNHARDT COLLECTION
(Intl. Class 20)

Application Serial No. 85/391,456
Service Mark: EARNHARDT COLLECTION
(Intl. Class 37)

**APPLICANT'S RESPONSE TO OPPOSER'S OBJECTIONS AND MOTION TO
STRIKE APPLICANT'S SECOND AND THIRD NOTICES OF RELIANCE**

Applicant Kerry Earnhardt, Inc. ("KEI") hereby responds to the Objections and Motion to Strike Applicant's Second and Third Notices of Reliance (the "Motion") filed by the Opposer, Teresa H. Earnhardt ("Opposer"). Because a portion of this response is confidential, Applicant is filing an unredacted version under seal and a public version with the confidential information redacted.

SUMMARY

Opposer did not testify in her own behalf during her testimony period. Instead, she offered the testimony of Judy Queen, the Vice President of Operations for Dale Earnhardt, Inc. ("DEI"). Opposer owns DEI and conducts virtually all of her business through that entity. Indeed, DEI is the company to which Opposer delegates all licensing of the DALE EARNHARDT trademarks that serve as the basis for her Opposition.

Ms. Queen also gave a discovery deposition in this case. But Opposer wants that evidence disregarded. Her purported legal grounds: DEI is not a "party" to the case. This is a distinction without a difference. In such situations, the Board looks beyond mere technicalities. A non-party witness is regarded as a party for purposes of admitting the witness's discovery

deposition into evidence when the deponent functions substantively as a party. *See, e.g., C.F.M. Distrib. Co., Inc. v. Costantine*, No. 77497042, 2013 WL 3188898, at *3 (TTAB Mar. 20, 2013) (denying motion to strike discovery deposition when deponent, while technically not a party, functioned as an agent of the applicant and “played a key role on applicant’s behalf” throughout the proceedings); *Carefirst of Maryland, Inc. v. FirstHealth of the Carolinas Inc.*, 77 U.S.P.Q.2d 1492, at *6 (TTAB 2005) (seeing “no reason to get into the minute details” of whether witness was technically a party when the party opposing admission of discovery deposition introduced testimony from the same witness).

Additionally, Ms. Queen’s discovery deposition is admissible as a vicarious party admission under the Federal Rules of Evidence. DEI acts as Opposer’s authorized agent for all licensing activities related to the DALE EARNHARDT trademarks. Ms. Queen, as DEI’s vice president of operations, oversees the licensing program. Her testimony on that subject falls squarely within the scope of the agency relationship, and therefore constitutes a party admission under Rule 801(d)(2)(D).

For these reasons, and as set forth more fully below, KEI requests that the Board overrule Opposer’s objections, deny her Motion, and consider Ms. Queen’s discovery deposition and the exhibits thereto in reaching a decision on the merits.

FACTS

Opposer is the president of DEI. (*Queen Test. Depo.*, p. 44). Ms. Queen is DEI’s vice president of operations, and the only employee within DEI who reports directly to Opposer. (*Id.*). DEI, which is wholly owned by Opposer, administers the licensing program for the DALE EARNHARDT trademarks. (*Taulbee Test. Depo.*, p. 8). Ms. Queen oversees all aspects of DEI’s business, including the licensing program, and she is the only DEI employee who reports directly to Opposer. (*Queen*, p. 44). DEI, not Opposer, is the party that enters into licensing agreements with third-party licensees. (*Taulbee*, p. 8 & Ex. 3). Any legal work that DEI

requires concerning the DALE EARNHARDT marks is performed by Alston & Bird, the same firm representing Opposer in this proceeding. (*See Taulbee*, pp. 8-12). In sum, Opposer may own the DALE EARNHARDT trademarks, but DEI is the vehicle she uses to maintain and monetize her late husband's intellectual property.

Ms. Queen gave a discovery deposition in this matter on June 2, 2014. The deposition covered many topics, but focused primarily on the licensing and use of the DALE EARNHARDT marks. (*See generally Applicant's Second and Third Notices of Reliance*). Opposer took the trial deposition of Ms. Queen on August 26, 2014. That deposition also focused primarily on the licensing and use of the DALE EARNHARDT marks. (*See generally Queen Test. Depo.*). Opposer did not testify in her own behalf.

ARGUMENT

A. Opposer cannot offer her employee's "good" testimony and keep out the "bad" testimony.

Opposer's present attempt to build a wall between herself on the one hand and DEI and Ms. Queen on the other cannot withstand scrutiny. As shown above, she has done too much already to blur that line. Indeed, rather than testify herself, Opposer relied on Ms. Queen. In some ways, Opposer's failure to testify is unsurprising. Opposer has taken a detached approach to discovery, requiring Applicant to file multiple motions to compel, and the evidence will show that she has taken a detached approach to managing the DALE EARNHARDT marks as they have declined in importance in the years since his passing.

Consistent with her detached approach, DEI serves as Opposer's authorized agent for licensing matters related to the DALE EARNHARDT marks, and Ms. Queen oversees DEI's licensing program. The legal work related to the DALE EARNHARDT marks flows through DEI. The practical reality is that, with respect to licensing, DEI is just as much a "party" as Opposer. Ms. Queen is an officer of DEI. Therefore, the rules permit KEI to offer Ms. Queen's

discovery deposition in evidence. *See* 37 C.F.R. § 2.120(j)(1) (“The discovery deposition of a party or of anyone who at the time of taking the deposition was an officer, director or managing agent of a party ... may be offered in evidence by an adverse party.”)

Prior rulings of the Board support this result. In *C.F.M. Distributing*, for example, the Board admitted the discovery deposition of a non-party witness, over the applicant’s objection, when the witness held himself out as an agent of the applicant, was a principal in multiple entities claiming rights in the contested trademarks, and played a key role on applicant’s behalf throughout the proceedings. 2013 WL 3188898, at *3. Likewise, in *Carefirst of Maryland*, the Board rejected an attempt to block the introduction of a third-party discovery deposition when the objecting party had submitted the deponent’s affidavit in support of a summary judgment motion. 77 U.S.P.Q. 1492, at *6. Under those circumstances, the Board saw “no reason to get into the minute details of [the witness’s] employment.” *Id.*

These cases teach that substance, not form, controls in these situations. “Party” status is not measured by fine legal distinctions. Rather, practical realities and notions of fairness determine whether someone ought to be treated as a party for purposes of the rule. When a witness participates significantly in the proceedings on behalf of one party, and that party has bestowed the witness with legal responsibility for trademarks that bear on the proceedings, justice requires that the adverse party be permitted to introduce the witness’s discovery deposition. Surely Opposer would not contend that she would be prejudiced by the Board considering all of Ms. Queen’s sworn testimony in this matter.

The Rules of Evidence similarly embrace a “substance over form” approach to determining party status for purposes of the party admission exception to the hearsay rules. An agent counts as a party for purposes of the hearsay rules, such that statements “made by the party’s agent ... on a matter within the scope of that relationship and while it existed” are

imputed to the principal as a vicarious party admission. FRE 801(d)(2)(D). The rule applies to Ms. Queen's discovery deposition.

Opposer appointed DEI as her agent for all licensing activities related to the DALE EARNHARDT marks, and Ms. Queen, as DEI's vice president of operations, oversees the licensing program. Rather than testify herself, Opposer called Ms. Queen to testify about DEI's licensing program. There can be no doubt, therefore, about Ms. Queen's status as Opposer's authorized agent to speak to such matters. Opposer cannot credibly contend on the one hand that Ms. Queen's discovery deposition should be disregarded and on the other hand seek to prove her case through Ms. Queen's trial testimony.

Opposer's objection to Ms. Queen's discovery deposition, while legally flawed, is understandable. Ms. Queen made a number of damaging admissions that undercut Opposer's case, including:

- She admitted that Opposer has no knowledge of any confusion concerning KEI's use of EARNHARDT COLLECTION. (*Applicant's Second Notice of Reliance*, pp. 88-89).
- She acknowledged that DEI is not engaged in homebuilding or furniture-making – the two categories for which KEI seeks registration of EARNHARDT COLLECTION. (*Id.* at pp. 71-72). [REDACTED]
[REDACTED]
[REDACTED]
(*Applicant's Third Notice of Reliance*, pp. 51-61 & Ex. 5-7).
- [REDACTED]
[REDACTED]
[REDACTED] (*Id.*, pp. 58-60).

- She admitted that in the years preceding the filing of this Opposition, and up until 2013, Amy Hallman—DEI’s former licensing director *who testified in support of Applicant’s case*—was the most knowledgeable person at the company regarding its licensing program. (*Applicant’s Second Notice of Reliance*, pp. 87-88).

Opposer thus has good reason to want this evidence excluded. But the cases and the law do not allow it: the TTAB is entitled to hear the whole story.

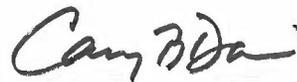
B. Opposer’s Motion is procedurally improper and not ripe for decision.

Any objections to a notice of reliance on substantive grounds, where determination of the issue requires reference to other evidence in the record, should be raised in the trial brief, and not by separate motion. TBMP § 532. Such is the case here. Resolution of the Motion requires, at a minimum, review of Ms. Queen’s testimony period deposition and the testimony of Mr. Taulbee. Accordingly, it would be appropriate for the Board to defer ruling on the Motion until final hearing. *See* TBMP § 502.01.

CONCLUSION

For the foregoing reasons, Applicant KEI requests that the Board overrule Opposer’s objections and deny her motion to strike.

This 20th day of February, 2015.



D. Blaine Sanders
bsanders@rbh.com

Cary B. Davis
cdavis@rbh.com

Matthew F. Tilley
mtilley@rbh.com

ROBINSON, BRADSHAW & HINSON, P.A.
101 North Tryon Street, Suite 1900
Charlotte, NC 28246-1900
(704) 377-2536

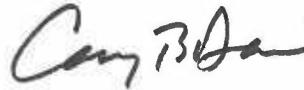
Attorneys for Applicant Kerry Earnhardt, Inc.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **APPLICANT'S FIRST NOTICE OF RELIANCE** has been served upon each of the parties to this action by depositing same in the United States mail, postage prepaid, in an envelope(s) addressed as follows:

Larry C. Jones
Bruce J. Rose
Carla H. Clements
Alston & Bird LLP
Bank of America Plaza
101 S. Tryon Street, Suite 4000
Charlotte, NC 28280-4000

This 20th day of February, 2015.



Cary B. Davis