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

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| Proceeding | 91212024 |
| Party | Defendant Brooks Entertainment Inc. |
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Opposition No.: 91212024

In the Matter of Application
Serial No. 85/551,808

For the mark: "S.O.B."

Filed on: February 24, 2012

Published in the Official Gazette on:
July 23, 2013

Opposition No. 91212024

REPUBLIC TECHNOLOGIES (NA), LLC

Opposer,

v.

BROOKS ENTERTAINMENT, INC.

Applicant.

**APPLICANT'S OPPOSITION TO OPPOSER'S MOTION FOR
LEAVE TO FILE AN AMENDED NOTICE OF OPPOSITION**

I. INTRODUCTION

Opposer's Motion For Leave To File an Amended Notice of Opposition ("Motion") must be denied because: (1) it sets forth impermissible, additional, and different grounds for a new fraud claim in its proposed Amended Notice of Opposition, (2) its new grounds for a new fraud claim are without merit based on the discovery propounded by Applicant, and (3) its request is untimely since this Motion was made so late in the proceeding.

Opposer's original Notice of Opposition sets forth grounds for a likelihood of confusion claim, not fraud. Over the seven (7) months of discovery, Applicant has diligently provided Opposer with information and documents that have supported its position on the likelihood of confusion claim. In addition, Applicant has provided Opposer with information and documents supporting Applicant's operation as a legitimate business that sells cigars, including evidence of sales from 2011, 2012, 2013, and 2014.

Now, fifty-two (52) days after discovery in the proceeding has closed, Opposer is seeking leave to file an Amended Notice of Opposition, in which it pleads a completely different theory as to why it believes Applicant's mark should be denied registration.¹ Opposer's untimely Motion has already delayed this proceeding from reaching a resolution on the merits, and this perceived uncertainty to third parties continues to hinder Applicant's efforts to expand its business. It would be highly prejudicial to Applicant if the Motion were granted because of the delay and additional expense it would incur. Granting this Motion would also be a waste of the Board's resources.

II. FACTUAL BACKGROUND

A. Procedural Background

Applicant submitted an application to register a word/design trademark (the "Mark") in International Class 034 based on its use of the Mark in interstate commerce in connection with the sale of cigars within the United States, claiming a filing basis pursuant to §1(a) of the Lanham Act, and based on its prior registration of the Mark in the Dominican Republic pursuant to §44(e). The U.S. trademark application was published on July 23, 2013 in the *Official Gazette*. Opposer filed a Notice of Opposition to

¹ Opposer has concurrently filed a Motion for Summary Judgment as an attempt to prevail in the proceeding with a claim that was not disclosed until after discovery.

commence this Trademark Trial and Appeal Board opposition proceeding on August 14, 2013, claiming that its trademark registration in International Class 034 for the sale of “*Cigarette tubes; injector machines for filling cigarette tubes and machines for rolling cigarettes, all such machines being for personal use; filter tips for cigarettes*” somehow also encompasses “*cigars*”, despite the fact that cigars is not part of the registered description of goods. Opposer claims that its registration covers all “*smoker’s articles*”, and that the Mark is likely to cause confusion with Opposer’s registered marks. On June 12, 2014, Opposer filed this untimely Motion to amend its Notice of Opposition to include new grounds for a completely different claim that Applicant did not engage in any sales when Applicant submitted its in-use trademark application in 2011. Opposer simultaneously filed a Motion For Summary Judgment solely based on its completely new and unproven fraud claim.

B. Status of Discovery

The parties exchanged initial disclosures, interrogatories, admissions, and documents during the discovery phase of the proceeding, with a focus on the claims set forth in the original Notice of Opposition. Discovery closed on April 21, 2014. Applicant spent a considerable amount of time and money gathering information to respond to Opposer’s requests.

III. LEGAL ARGUMENT

A. Opposer’s Motion For Leave To File An Amended Notice Of Opposition Is Without Merit

The Board liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. *American Express Marketing & Development Corp. v. Gilad Development Corporation*, 94 USPQ2d 1294,

1297 (TTAB 2010). While the Board is generally liberal in granting leave to amend, some limitations do apply, such as “where the moving party seeks to **add a new claim** or defense, and the proposed pleading thereof is legally insufficient, or would serve no useful purpose, the Board normally will deny the motion for leave to amend.” T.B.M.P. § 507.02. [Emphasis Added].

Opposer has attempted to set forth impermissible, additional and different grounds for a new fraud claim in its proposed Amended Notice of Opposition. This claim is not in Opposer’s Original Notice of Opposition, or related to any of the claims contained therein. During discovery, Applicant produced evidence that supported its business operations, cigar sales, its trademark registration in the Dominican Republic, a contract with its cigar manufacturer, and marketing and promotional campaigns in both the Dominican Republic and the United States.² Opposer’s Motion fails to mention the evidence of sales that Applicant produced prior to the file date of this Motion since acknowledgement of such would mean that there was no useful purpose in amending the original pleading. That would also make the accompanying Motion for Summary Judgment moot since it is solely based in the new fraud claim.

Opposer cites *Commodore* throughout its Motion, however, the facts of that proceeding are not similar. *Commodore Electrics Limited v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503 (TTAB 1993). In *Commodore*, the opposer was granted leave to amend its Notice of Opposition based on the premise that the applicant did not have a bona fide intention to use the subject mark in commerce in connection with at least fifteen (15) goods that were specified in its intent-to-use application.³ *Id.* The applicant in

² Applicant provides a more detailed discussion and supporting evidence in its Opposition To Opposer’s Motion for Summary Judgment.

³ Ser. No. 74/060,412, filed on May 17, 1990, which alleges a bona fide intention to use the mark in commerce. The applicant in *Commodore* specified the following on its intent-to-use application: "television apparatus, radios, tape recorders, C.D. players, telephone apparatus, facsimile machines, video tape recorders, blank video tapes, blank audio tapes, electro photographic copying apparatus, liquid crystal display panels, calculating machines, cash registers, clinical thermometers, [and] copying machines" in

Commodore did not produce any evidence of use. *Id.* In this proceeding, Applicant did not file an intent-to-use application; Applicant provided Opposer with evidence of sales prior to Opposer filing its Motion; and Applicant's application was only for one good, cigars. In light of the foregoing, Applicant respectfully requests that the Board deny Opposer's Motion For Leave To File An Amended Notice of Opposition because: (1) it sets forth impermissible, additional and different grounds for a new fraud claim, and (2) its new fraud claim is without merit based on the discovery propounded.

B. Opposer's Motion For Leave To File An Amended Notice Of Opposition Is Untimely

A motion to amend should be denied if the grounds were available at the time of the original answer. *S & L Acquisition Co. v. Helene Arpels Inc.*, 9 USPQ2d 1221, 1224 (TTAB 1987). Applicant's initial USPTO trademark application was filed on February 24, 2012 and states 1) Applicant's filing basis, and 2) Applicant's country of origin. These are the two facts that are the basis for Opposer's new fraud claim. Opposer has known about Applicant's application for nearly nine (9) months; however Opposer waited until this late stage in the proceeding to assert grounds that challenge the application's filing basis.

In Opposer's key case, *Commodore*, the motion for leave was filed prior to the close of discovery. *Id.* Opposer's request to file an Amended Notice of Opposition is untimely given the fact that this Motion was filed fifty-two (52) days after discovery in the proceeding closed. Also, in *Commodore*, leave to amend was granted to the opposer partly because the parties were awaiting a decision on a motion for summary judgment that was previously filed by the applicant. *Id.* The proceeding schedule in *Commodore*

International Class 9 and "fountain pens, ball-point pens, mechanical pencils, note books, envelopes, [and] typewriters" in International Class 16."

was condensed so the court found that opposer was justified in its delayed filing for leave to amend. *Id.*

Unlike *Commodore*, this proceeding has been going according to schedule, and the parties have not filed any previous motions. The trial testimony period was about to begin and Applicant was preparing for such. Applicant is anxiously waiting for this proceeding to conclude, and was hoping for a clear resolution by the end of 2014 so that it could expand its business with some certainty.⁴ Granting this Motion will cause unnecessary delay.

For the reasons stated above, Applicant respectfully requests that the Board deny Opposer's Motion For Leave To File An Amended Notice of Opposition to minimize the suspension period.

C. Applicant's Basis Is Not An Issue That Support's Opposer's Motion

In the event that Applicant's basis is deemed to be improper, Applicant's application is not automatically void. Applicant may file a motion to seek the Board's approval of an amendment pursuant to TBMP § 514. 37 C.F.R. §2.133(a). The Board has the authority to address this issue separate and apart from Opposer's Notice of Opposition. It is not an issue that supports Opposer's Motion.

D. Opposer's Proposed Amendment Would Result In Significant Prejudice To Applicant

Where prejudice would result from a proposed amendment, the request should be denied. *American Optical Corp. v. American Olean Tile Co.*, 168 USPQ 471, 473 (TTAB 1971). Opposer filed this opposition proceeding nearly nine (9) months ago. Applicant will be substantially prejudiced if Opposer is allowed to amend its Notice of Opposition

⁴ The current remaining case deadlines are as follows:
Plaintiff's 30-day Trial Period Ends 7/20/2014
Defendant's Pretrial Disclosures 8/4/2014
Defendant's 30-day Trial Period Ends 9/18/2014
Plaintiff's Rebuttal Disclosures 10/3/2014
Plaintiff's 15-day Rebuttal Period Ends 11/2/2014

at this late stage of the proceeding because this will require a substantial delay in the case. Applicant anticipated that this proceeding would conclude by the end of 2014 so that it could move its business forward according to the ruling. This delay will also result in unnecessary delay and higher costs to Applicant because its ability to grow the business is limited without a ruling in this proceeding. The resulting prejudice to Applicant from this delay far outweighs any potential for justice to be served by granting Opposer its proposed Motion. Opposer's new tactic does not outweigh Applicant's need for a speedy and efficient resolution.

Accordingly, Applicant requests the Board to deny the Motion.

IV. CONCLUSION

It is not in the interest of justice for Opposer to prevail on an untimely-filed Motion based on a fraud claim that it is unable to substantiate. The delay will cause Applicant and the Board to exhaust unnecessary time, money and effort. The Motion lacks a useful purpose in this proceeding and is inherently prejudicial to Applicant. Applicant respectfully requests that the Board deny Opposer's Motion.

Dated: June 27, 2014

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing APPLICANT'S OPPOSITION TO OPPOSER'S MOTION FOR LEAVE TO FILE AN AMENDED NOTICE OF OPPOSITION was served via U.S. Mail, postage prepaid, on this 27th day of June 2014, upon the attorney of record for Opposer:

Antony J. McShane
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By: /Richard B. Jefferson/
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