UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Mailed: March 27, 2015

Opposition No. 91212024

Republic Technologies (NA), LLC

v.

Brooks Entertainment Inc.

Wendy Boldt Cohen, Interlocutory Attorney:

This case now comes before the Board on the following motions:

1. Applicant's motion to amend the filing basis of its application (filed October 1, 2014);
2. Opposer's motion to amend its pleading to add a claim of fraud (filed October 29, 2014);
3. Opposer's motion for 56(d) discovery (filed November 5, 2014) in lieu of a response to Applicant's motion for summary judgment on the basis of likelihood of confusion (filed October 1, 2014); and
4. Applicant's motion for ACR (filed November 11, 2014).

The Board has considered the parties' submissions and presumes the parties' familiarity with the arguments made therein. The parties' arguments will not be summarized herein except as necessary to explain the Board's decision.

Motion to Amend the Filing Basis

On October 1, 2014, prior to the commencement of trial, Applicant filed a proposed amendment to the filing basis for its application Serial No. 85551808,

without Opposer's consent.[1] In keeping with Board practice, consideration of the proposed amendment is deferred until final decision or upon resolution of this case by motion for summary judgment. *See Technologies Ltd. v. Topaz Communications Ltd.*, 65 USPQ2d 1303, 1307 (TTAB 2002) (motion to amend to substitute a basis deferred to final hearing); *Enbridge Inc. v. Excelerate Energy L.P.,* 92 USPQ2d 1537, 1539 n.3 (TTAB 2009); *Space Base Inc. v. Stadis Corp.*, 17 USPQ2d 1216, 1219 (TTAB 1990); TBMP § 514.03.

Motion to Amend Pleading

On October 21, 2014, Opposer filed a combined response to Applicant's motion to amend its filing basis and a motion to amend its pleading to, *inter alia*, add a claim of fraud.[2] Opposer kept its allegations related to likelihood of confusion in the October 21, 2014 pleading and included a proposed amended pleading with its combined response and motion. Applicant opposes the motion.

Leave to amend pleadings must be freely given when justice so requires, unless entry of the proposed amendment would violate settled law, would be prejudicial to the rights of the adverse party, or would be futile. *See* Fed. R. Civ. P. 15(a); TBMP § 507.02). The Board liberally grants leave to amend pleadings at any stage of a

[1] Applicant seeks to amend its Section 1(a) and Section 44(e) filing basis to Section 1(b) only. *Motion to Amend Application*, p. 1.

[2] Opposer's claim of fraud appears to be based in part, on the allegations made in its previously pleaded claims regarding Applicant's application being void *ab initio* because Applicant lacked bona fide use under Section 1(a) and that Applicant is not a national or domiciliary of the Dominican Republic as required under the Section 44(e) filing basis. The claims related to Section 1(a) and Section 44(e) have been deleted and are now replaced by Opposer's claim of fraud in Opposer's October 21, 2014 motion to amend the notice of opposition.

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. *See Black & Decker Corp. v. Emerson Electric Co.*, 84 USPQ2d 1482, 1486 (TTAB 2007); *id*. The Board will liberally grant such motions when the proceedings are still in the pre-trial stage. *See, e.g., Cool-Ray, Inc. v. Eye Care, Inc.*, 183 USPQ 618, 621 (TTAB 1974).

In deciding whether to grant leave to amend, a tribunal may consider undue delay, prejudice to the opposing party, bad faith or dilatory motive, futility of the amendment, and whether the party has previously amended its pleadings. *See Foman v. Davis*, 371 U.S. 178, 182 (1962).

In this instance, the Board does not find any evidence of bad faith or dilatory motive on the part of Opposer in seeking to amend its pleading. Opposer's new claim of fraud is largely predicated on Applicant's motion to amend its filing basis. Further, Applicant has not shown that any undue prejudice would result from the amended notice of opposition and the Board finds no prejudice to Applicant. Trial has not yet begun and Opposer's additional allegation of fraud involves information in Applicant's control and thus, additional discovery does not appear to be necessary and neither party has requested additional discovery. *See, e.g., Microsoft Corp. v. Qantel Business Sys. Inc.,* 16 USPQ2d 1732, 1733-1734 (TTAB 1990); *Marshall Field & Co. v. Mrs. Field Cookies*, 11 USPQ2d 1355, 1359 (TTAB 1989).

Upon review of the proposed amended pleading, the Board finds that the pleading of fraud does not appear futile but rather, is sufficiently pleaded.[3] Opposer alleges, *inter alia*, in paragraphs 10-20 of the amended notice of opposition that Applicant knew it had not used its mark in the United States for the goods described in the application; that Applicant did not have the capacity to produce or contract with a third party to produce the goods; that Applicant "fabricated its purported specimen"; that Applicant knew its specimen was false; that Applicant knew it did not have a "bona fide and effective industrial or commercial establishment in the Dominican Republic"; and that it knowingly made these false statements "with the intent to deceive the Trademark Office and to obtain a priority date for its application to which it is not entitled." Additionally, Opposer has provided the facts upon which its belief of fraud is founded. The Board finds that Opposer has adequately pleaded a claim of fraud in its amended notice of opposition.[4]

In view of the foregoing, Opposer's motion to amend is hereby **granted**. The amended notice of opposition included in Opposer's motion filed October 21, 2014

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[3] To plead a claim of fraud, a party must allege that the applicant made a specific false statement of material fact in the course of the involved application and that applicant made such false statement with the intent of deceiving the USPTO into issuing a registration to which applicant is not entitled. *See In re Bose Corp.,* 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009).

[4] Whether or not Opposer can establish fraud is a matter for resolution on the merits. *See Flatley v. Trump*, 11 USPQ2d 1284 (TTAB 1989). "One charging fraud cannot prevail merely by proving that its opponent lacked a bona fide intent to use the mark: there must be proof of a subjective intent to deceive." J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition,* Section 31:78 (4th ed. 2015); *See also SmithKline Beecham Corp. v. Omnisource DDS, LLC*, 97 USPQ2d 1300, 1305 (TTAB 2010).

shall be treated as the operative pleading.[5] Applicant is allowed until **April 10, 2015** to file an answer or otherwise respond to the amended pleading.

Motion for 56(d) Discovery

In response to Applicant's motion for summary judgment, Opposer seeks 56(d) discovery, supported by a declaration of its counsel. Applicant opposes the motion.

In order to establish that it is entitled to discovery under Fed. R. Civ. P. 56(d), opposer must show through affidavit or declaration "reasons why discovery is needed in order to support its opposition" to applicant's motion for summary judgment. *Opryland USA Inc. v. The Great American Music Show Inc.*, 970 F.2d 847, 852, 23 USPQ2d 1471, 1474 (Fed Cir. 1992) (*citing Keebler Co. v. Murray Bakery Products*, 866 F.2d 1386, 1389, 9 USPQ2d 1736, 1739 (Fed. Cir. 1989)). A party that believes that it cannot effectively oppose a motion for summary judgment without first taking discovery may file a request with the Board for time to take the needed discovery. *See id.*; *see also Celotex v. Catrett*, 477 U.S. 317, 326 (1987) ([Rule 56(d)] provides nonmovants with protection from being "railroaded" by premature summary judgment motions). The request must be supported by an affidavit showing that the nonmoving party cannot, for reasons stated therein, present by affidavit facts essential to justify its opposition to the motion. *See* Fed. R. Civ. P. 56(d); *Opryland USA Inc.*, 23 USPQ2d at 1475. It is not sufficient that a nonmovant simply state in

[5] The Board considers the amended pleading as setting forth, in part, alternative and/or hypothetical grounds of fraud as additional bases for opposition, in anticipation of the possibility that, at final hearing, the Board will grant Applicant's amendment to amend its filing basis to Section 1(b). *See Technologies Ltd.*, 65 USPQ2d at 1307.

an affidavit that it needs discovery in order to respond to the motion for summary judgment; rather, the party must state therein the reasons why it is unable, without discovery, to present by affidavit facts sufficient to show the existence of a genuine dispute of material fact for trial. *See* TBMP § 528.06 and cases cited therein. If a party has demonstrated a need for discovery that is reasonably directed to obtaining facts essential to its opposition to the motion, discovery will be permitted, especially if the information sought is largely within the control of the party moving for summary judgment. The motion should set forth with specificity the areas of inquiry needed to obtain the information necessary to enable the party to respond to the motion for summary judgment. *See* Fed. R. Civ. P. 56(d); TBMP § 528.06*; Opryland USA Inc.,* 23 USPQ2d 1471; *Murray Bakery Products*, 9 USPQ2d 1736.

Opposer argues that it needs to depose Fran Shon Brooks, Applicant's principal, regarding, *inter alia*, Applicant's products to be offered, its intended customer, channels of trade, marketing and promotions, and the selection and adoption of Applicant's mark.

Discovery has closed in this proceeding and Opposer has already served Applicant with two sets of document requests and interrogatories. *See Antony McShane Declaration*, ¶¶ 2-5. The Board is not persuaded that additional discovery is necessary to oppose the motion for summary judgment on the ground of likelihood of confusion.[6] The issues raised in relation to Applicant's likelihood of confusion

[6] To the extent Opposer argues that Applicant's responses to discovery are "illegible, unintelligible or irrelevant" and is attempting to compel responses to its written discovery

allegations are largely questions of fact that are resolved based largely or solely on objective factors – *e.g.*, similarity or dissimilarity of the parties' marks and goods.[7] In view thereof, Opposer has not made the requisite showing of a need for further discovery to prepare a substantive response to the motion for summary judgment on the claim of likelihood of confusion.

In view of these findings, the motion for discovery under Fed. R. Civ. P. 56(d) is **denied**.

Motion for ACR

Applicant seeks the Board to bifurcate the proceeding and order the issue of likelihood of confusion be decided under the Board's Accelerated Case Resolution (ACR) procedures. Opposer opposes the motion.

ACR presently can be implemented only by consent of the parties and agreement by a Board attorney or judge, and will not be approved by unilateral motion of one party. *See* TBMP § 702.04(a). Therefore, because Opposer does not consent to ACR, Applicant's motion for ACR is **denied**.

Briefing for Motion for Summary Judgment

Applicant's motion for summary judgment is based on likelihood of confusion, a claim which is pleaded by Opposer in a substantially similar manner in both its June

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under the guise of a motion for Rule 56(d) discovery, the Board finds such an attempt to be procedurally improper. *McShane Declaration*, ¶ 5. A Rule 56(d) motion is limited in purpose, namely, a vehicle for obtaining discovery necessary to respond to a motion for summary judgment. *See e.g., Keebler Co. v. Murray Bakery Products*, 9 USPQ2d 1736 (Fed. Cir. 1989).

[7] Applicant argues, in the motion for summary judgment, that the parties' marks are "sufficiently dissimilar" and that "the dissimilarity of the marks alone is dispositive of the Section 2(d) claim." *Motion for Summary Judgment*, pp. 2 and 5.

12, 2014 pleading and the now operative October 21, 2014 pleading. The Board now resets briefing for the motion for summary judgment based on likelihood of confusion. Opposer's brief in response to the motion for summary judgment shall be due **May 1, 2015**. Applicant's reply brief, if any, shall be due by operation of Trademark Rule 2.127(e)(1).

Proceedings herein otherwise remain suspended pending disposition of Applicant's motion for summary judgment.