

THIS OPINION
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OF THE T.T.A.B.

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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DUNN

Mailed: April 28, 2015

Opposition No. 91215018

Who Dat Yat Chat, LLC

v.

Who Dat?, Inc.

Before Bucher, Cataldo, and Greenbaum, Administrative Trademark Judges:

By the Board:

This case comes up on Opposer's motion and Applicant's cross-motion for summary judgment on the pleaded issue of contract estoppel, and Applicant's motion for summary judgment under collateral estoppel principles. The motions are contested.¹

BACKGROUND

On September 28, 2004, Registration No. 2890070 issued to Applicant Who Dat? Inc. (hereafter, Applicant) for the mark WHO DAT? BLUES BAND for

¹ The Board notes Opposer's un rebutted assertion that Applicant failed to serve its initial disclosures. While Trademark Rule 2.127(e)(1) bars the filing of motions for summary judgment by parties that have not served initial disclosures, there is an exception for motions based on preclusion and jurisdictional grounds. Because the Board finds that the contact estoppel claim involves similar issues to preclusion, the Board has considered Applicant's cross-motion for summary judgment. Pursuant to Trademark Rule 2.120(g)(1), inasmuch as discovery has closed, a motion to compel Applicant's initial disclosures would be untimely.

“entertainment, namely, live performances by a musical band.” In 2010, Applicant filed three additional trademark applications to register the mark WHO DAT? for musical recordings and sound equipment (application Serial No. 77983139) and clothing (application Serial No. 77907193), and the mark WHO DAT for alcoholic beverages (application Serial No. 85132369).

In 2012, Opposer Who Dat Yat Chat, LLC (hereafter, Opposer) filed a civil action seeking a declaratory judgment that it was not infringing Applicant’s marks (*Who Dat Yat Chat, LLC v. Who Dat, Inc.*, No.10-1333 c/w 10-2296, filed in the United States District Court for the Eastern District of Louisiana) and an application to register WHO DAT YAT CHAT for “restaurant services, including sit-down service of food and take-out restaurant services” (application Serial No. 85708595).

On October 25, 2012, the parties executed a settlement agreement which resulted in dismissal of the district court action. Among other provisions, the agreement provides that Opposer has exclusive rights to use and register the WHO DAT YAT CHAT mark in connection with restaurants, restaurant services, coffeehouses, coffeehouse services, and related services and products, and that Applicant would not challenge or object to Opposer’s use of the marks WHO DAT YAT CHAT or WHO DAT on any goods or services provided for sale in connection with the operation of restaurants and coffeehouses (Section 1); that Opposer has the right to operate and license WHO DAT coffee houses and restaurants (Section 3), that Opposer has the right to manufacture, sell or license any product, merchandise or alcoholic beverage manufactured, produced or sold in a restaurant or coffeehouse

using the mark WHO DAT (Section 4); and that Applicant would not interfere with Opposer's right to operate and license coffeehouses and restaurants, and to manufacture, sell or license any product, merchandise or alcoholic beverage manufactured, produced or sold in a restaurant or coffeehouse, using the mark WHO DAT without payment of fees or royalties (Section 6).

In 2013, Applicant's three applications issued as Registration Nos. 4310960 (WHO DAT?), 4385857 (WHO DAT?), and 4402283 (WHO DAT). On August 28, 2013, Applicant filed an application for the mark WHO DAT? for "bakery products; cakes; coffee; hamburger sandwiches; pralines; seasonings; spices" (application Serial No. 86050118).

On January 7, 2014, Opposer's application Serial No. 85708595 issued as Registration No. 4463624 (WHO DAT YAT CHAT).

On February 20, 2014, Opposer filed the notice of opposition to registration of Applicant's application Serial No. 86050118 (WHO DAT?), alleging likelihood of confusion with its pleaded Registration No. 4463624 (WHO DAT YAT CHAT) and nonuse, and that Applicant was contractually estopped from filing its application based on the October 25, 2012 agreement between the parties.² Opposer also filed a motion with the United States District Court for the Eastern District of Louisiana to reopen the civil action to enforce the settlement agreement, alleging that

² Inasmuch as the attached numbered paragraphs include no supporting allegations therefor, the Board finds that the reference on the ESTTA cover sheet to the notice of opposition to claims of deceptiveness and false suggestion of a connection under Trademark Act Section 2(a), and dilution under Trademark Act Section 43(c), do not plead legally sufficient claims, and these references will be given no further consideration.

Applicant had breached the agreement with its application seeking the exclusive right to use the mark WHO DAT? on the same items that Opposer sells in its business.

On April 1, 2014, Applicant filed an answer in this opposition denying the salient allegations of the notice of opposition, and pleading various affirmative defenses.

On May 14, 2014, the United States District Court for the Eastern District of Louisiana issued an order denying Opposer's motion to reopen the civil action for enforcement of the settlement agreement. The district court found that Applicant had not opposed or objected to Opposer's registration of its mark WHO DAT YAT CHAT; that there was no evidence that Applicant interfered with Opposer's right to operate and license coffeehouses and restaurants, and to manufacture, sell or license any product, merchandise or alcoholic beverage manufactured, produced or sold in a restaurant or coffeehouse; and that because most of Opposer's rights under the settlement agreement were not exclusive, while Applicant cannot stop Opposer from its common law use of the WHO DAT mark, Applicant may produce or sell the same goods under the WHO DAT? mark.

The district court found that the only exclusive right granted to Opposer under the settlement agreement was the right to use the marks WHO DAT YAT CHAT or WHO DAT on "any goods or services provided for sale in connection with the operation of restaurants, restaurant services, coffeehouses, and coffeehouse services and alcoholic beverages", and that Applicant's application to register the mark

WHO DAT? for food products was “much broader” than food products used in restaurants and coffeehouses. The district court concluded that while there could be overlap between the parties’ goods, it would not necessarily occur, and there was no *de facto* breach of the settlement agreement because Applicant filed an application to register the mark WHO DAT?.

On October 28, 2014, discovery in this opposition closed. On November 7, 2014, Applicant served Opposer with discovery responses, including the responses to Opposer’s requests for admission set forth below:

1. Admit that on May 16, 2007, the Louisiana Secretary of State issued a Certificate of Good Standing to WDYC and WDYC obtained the trade name “Who Dat Yat Chat, LLC” on May 17, 2007 from the Louisiana Secretary of State for a coffee shop/restaurant in Violet.

Response: WDI admits that on May 16, 2007, the Louisiana Secretary of State issued a Certificate of Good Standing to WDYC. Applicant objects to the remainder of this request on the grounds that it is vague and ambiguous; as a result of the nature of the request, Applicant is unable to admit or deny the remainder of this request as written.

8. Admit WDI has not owned or operated a restaurant during the alleged existence of WDI.

Response: Admitted.

17. Admit that WDI’s application for a trademark, number 86050118, seeks exclusive trademark status for bakery products, cakes, coffee and hamburger sandwiches.

Response: WDI objects to this request on grounds that it is vague and ambiguous; particularly, WDI objects to the phrase “trademark status” as not defined or susceptible to any specific meaning. Subject to that objection, and without waiving it, WDI admits that U.S. Trademark Application Serial No.86050118 seeks registration of the mark “Who Dat?” for bakery products, cakes, coffee, hamburger sandwiches, pralines, seasonings, and spices. However, WDI acknowledges that third parties, like WDYC, may use the mark on related goods and services pursuant to written authorization or license granted by WDI.

24. Admit that WDI in application for a trademark, number 86050118, has not provided to USPTO any notice, qualification or admission whatsoever as to the existence of the Settlement Agreement and its attendant obligations.

Response: Admitted.

On November 14, 2014, Opposer moved for summary judgment on contract estoppel, contending that Applicant's application to register the WHO DAT? mark for goods which could be sold in Opposer's restaurant and coffeehouse, and Applicant's admissions made in discovery, demonstrate Applicant's breach of the parties' settlement agreement. Applicant brings a cross-motion for summary judgment on contract estoppel, and also seeks summary judgment under collateral estoppel principles, arguing that the district court already issued an order finding that Applicant's filing of its application for the mark WHO DAT? was not a breach of the settlement agreement, that Applicant's November 7, 2014 discovery responses do not demonstrate a breach subsequent to the district court's May 14, 2014 decision, and that the Board should not take up a matter already decided by the district court.

DISCUSSION

A motion for summary judgment is a pretrial device intended to save the time and expense of a full trial when the moving party is able to demonstrate, prior to trial, that there is no genuine dispute of material fact, and that it is entitled to judgment as a matter of law. *See* Fed. R. Civ. P. 56(a); *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986). In reviewing a motion for summary judgment, the evidentiary record and all reasonable inferences to be drawn from the undisputed facts must be

viewed in the light most favorable to the nonmoving party. *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). The Board may not resolve issues of material fact; it may only ascertain whether such issues exist. *See Lloyd's Food Prods. Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993).

In support of its motion for summary judgment, Opposer submits excerpts from Applicant's responses to requests for admission, excerpts from the deposition of Applicant's principal Salvador Monistere in the 2012 civil action between the parties, Applicant's financial statements for 2009 produced in the 2012 civil action, the parties' October 25, 2012 settlement agreement, and a copy of the October 29, 2012 district court order dismissing the action.

Standing is an essential element of Opposer's case which, if it is not proved, defeats Opposer's claim. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 188 (CCPA 1982). While the notice of opposition pleads Opposer's use and registration of the WHO DAT YAT CHAT mark, Opposer did not submit a status and title copy of the registration, did not submit a declaration with averments regarding the registration or its common law rights, and Applicant's answer and discovery responses submitted by Opposer do not include admissions regarding Opposer's use or registration of the WHO DAT YAT CHAT or WHO DAT mark. While the 2012 settlement agreement acknowledges Opposer's rights to the WHO DAT YAT CHAT and WHO DAT marks in 2012, this is insufficient to prove Opposer's standing as of the February 20, 2014 filing of the notice of opposition.

Accordingly, Opposer's motion for summary judgment is denied. *See United Rum Merchants Ltd. v. Distillers Corp. (S.A.)*, 9 USPQ2d 1481, 1483-84 (TTAB 1988) ("opposer's motion for summary judgment has been denied in view of opposer's failure to demonstrate its standing as a matter of law").

The Board turns to Applicant's cross-motion for summary judgment on contract estoppel, and under collateral estoppel principles. Applicant submits Opposer's April 11, 2014 motion to reopen the district court action for enforcement of the settlement agreement; Applicant's response and Opposer's reply to the motion; and the court's May 14, 2014 order denying the motion to reopen because Applicant's filing of its application for the mark WHO DAT? was not a breach of the settlement agreement.

As a preliminary matter, the Board finds that the doctrine of collateral estoppel, or issue preclusion, is inapplicable here. For collateral estoppel to apply, the Board's primary reviewing court requires: (1) identity of an issue in a prior proceeding, (2) the identical issue was actually litigated, (3) determination of the issue was necessary to the judgment in the prior proceeding, and (4) the party defending against preclusion had a full and fair opportunity to litigate the issue in the prior proceeding. *See Mayer/Berkshire Corp. v. Berkshire Fashions, Inc.*, 424 F.3d 1229, 76 USPQ2d 1310, 1313 (Fed. Cir. 2005) (citations omitted). The Board may find issue preclusion where "the second action is upon a different cause of action and the judgment in the prior suit precludes re-litigation of issues actually litigated and necessary to the outcome of the first action." *Id. citing Parklane Hosiery Company*,

Inc. v. Shore. 439 U.S. 322, 326 n.5 (1979). Because the district court decided the issue of whether the settlement agreement barred Applicant from filing the opposed application in a post-judgment order denying a motion to reopen proceedings, and the issue was neither litigated nor the subject of a final judgment on the merits by the district court, issue preclusion is inapplicable here.³ Accordingly, Applicant's motion for summary judgment based on collateral estoppel is DENIED.

With respect to Applicant's cross-motion for summary judgment on contract estoppel, the Board may "consider the agreement, its construction or its validity if necessary to decide the issues properly before it ... including the issue of estoppel." *Selva & Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316, 217 USPQ 641, 647 (Fed. Cir. 1983). However, in lieu of considering the agreement, under the doctrine of comity the Board may choose to defer to the recent district court order which has already considered the same agreement. "Comity is defined as: The principle in accordance with which the courts of one state or jurisdiction will give effect to the laws and decisions of another, not as a matter of obligation, but out of deference and respect." *Vancouver Plywood Co. v. United States*, 860 F.2d 409, 412 (Fed. Cir. 1988) citing Black's Law Dictionary (5th ed. 1979). Accord *Fioravanti v. Fioravanti Corrado S.R.L.*, 230 USPQ 36, 44 (TTAB 1986) ("The alternative ... is to suspend, permitting the foreign tribunal to make the determination respecting the rights of the parties which then can be afforded 'comity' in the United States proceeding.").

³ Inasmuch as the district court's order addressing the settlement agreement was not a judgment on the merits, the Board also finds claim preclusion inapplicable here. See *Jet Inc. v. Sewage Aeration Sys.*, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000) ("a judgment on the merits in a prior suit bars a second suit involving the same parties or their privies based on the same cause of action.").

Refusing separate consideration of the settlement agreement under comity to the district court order is suitable because the October 12, 2012 settlement agreement between Opposer and Applicant was intended to resolve the trademark infringement action pending in the district court, the district court referred to the settlement agreement in its October 29, 2012 order dismissing the trademark infringement action, and in its May 14, 2014 post-judgment order, the district court considered the same arguments now made to the Board. In fact, review of the two filings indicates that Opposer copied many paragraphs from its motion to the district court to reopen the trademark infringement action into its motion to the Board for summary judgment, and Opposer asserts the same provisions in the agreement (Sections 1, 3-4, and 6) to both the court and the Board. Only Applicant's responses to Opposer's request for admissions served in this opposition present new matter not considered by the district court. In the interest of thoroughness, the Board set forth above every admission to which Opposer refers in its motion for summary judgment. However, it is clear that Applicant's admissions regarding Opposer's corporate status, Applicant not owning or operating a restaurant, and Applicant failing to inform USPTO of the settlement agreement, have nothing to do with whether Applicant's filing of its application is a breach of the settlement agreement.

Opposer's reliance on Applicant's admissions for finding contract estoppel rests on Applicant's response to the request for admission (No. Seventeen) stating "third parties, like [Opposer], may use the mark on related goods and services pursuant to

written authorization or license granted by [Applicant].” Opposer argues (Motion, p. 14) that this admission is “in complete contravention of the obligations of the Settlement Agreement”, and (Reply, p. 3) that Applicant’s “open statement ... can be no clearer” that “once [Applicant] is granted its application, either [Applicant] or its licensees will have to fork over money or submit to costly litigation in circumvention of the Settlement Agreement.” Contrary to Opposer’s argument, Applicant’s discovery response does not establish breach of the agreement but, at most, raises the same specter of prospective breach rejected by the district court.⁴ The district court found (May 14, 2014 order, p. 6) that “while it is possible that there will be some overlap that creates the potential for a breach, such overlap will not necessarily occur, thus there is no breach of the Settlement Agreement until [Applicant] challenges the rights granted in the Settlement Agreement.”

The Board, like the courts, has the inherent authority to control its docket by opting to defer to the decision on the same contract issue made by another tribunal. *See Merial Ltd. v. Cipla Ltd.*, 103 USPQ2d 1001, 1013 (Fed. Cir. 2012) (“The “first-to-file” rule is a doctrine of federal comity, intended to avoid conflicting decisions and promote judicial efficiency, that generally favors pursuing only the first-filed action when multiple lawsuits involving the same claims are filed in different jurisdictions.”). Because Opposer seeks summary judgment on the same issue of

⁴ Inasmuch as the settlement agreement itself provides Applicant’s written authorization of Opposer’s use of the WHO DAT mark for specified goods and services, Applicant’s discovery response could be construed as an acknowledgment of Opposer’s rights under the agreement.

contract estoppel which was already determined by the district court, the Board affords comity to the district court's May 14, 2014 order.

Accordingly, because the Board defers to the district court's determination that Applicant's filing of its application was not a breach of the parties' settlement agreement, there are no genuine disputes as to any material fact and entry of judgment for Applicant on contract estoppel as a matter of law is appropriate.

In sum, Applicant's motion for summary judgment on collateral estoppel is denied; Opposer's motion for summary judgment on contract estoppel is denied; and Applicant's cross-motion for summary judgment on contract estoppel is GRANTED.

Inasmuch as this order does not end litigation in this matter, and the opposition goes forward as to the claims of nonuse and likelihood of confusion, this order is interlocutory in nature.⁵ Accordingly, the case is not ripe for appeal with respect to the grant of summary judgment on the issue of contract estoppel. Appeal may be taken within two months after the entry of any final decision in the case.

PROCEEDINGS RESUMED

Discovery	CLOSED
Plaintiff's Pretrial Disclosures	6/12/2015
Plaintiff's 30-day Trial Period Ends	7/27/2015
Defendant's Pretrial Disclosures	8/11/2015
Defendant's 30-day Trial Period Ends	9/25/2015
Plaintiff's Rebuttal Disclosures	10/10/2015
Plaintiff's 15-day Rebuttal Period Ends	11/9/2015

⁵ As set forth above, if Opposer fails to prove its standing at trial, there will be no need for the Board to consider the merits of Opposer's claims.

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.