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

Proceeding	91225628
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

DELSON GROUP INC

Opposer,

v.

TENCENT HOLDING LIMITED.

Applicant.

Opposition No. 91225628

TM: TENCENT

(Serial No. 86/633,476)

OPPOSITION TO MOTION TO CONSOLIDATE

I. INTRODUCTION

Delson Group, Inc. (“Delson”) submits this opposition to Tencent Holding Ltd.’s (“THL”) motion to consolidate instant Opposition nos. 91225628 and 91225630 with previous Opposition nos. 91207516 and Opposition No. 91215611 (consolidated under, and referred to herein as, Parent Case no. 91207516). THL’s motion to consolidate should be denied for at least three reasons.

First, THL’s motion is premature under F.R.C.P., Rule 42(a)(1) and TBMP § 511 because the case is not at issue and no answer has been filed. Due to THL’s own motion to dismiss and Delson’s resulting amendment of its Oppositions, the issues in the instant Oppositions are not established for purposes of comparison and alignment with Parent Case no. 91207516.

Second, Delson's motion does not make a prima facie showing that the instant Oppositions and Parent Case no. 91207516 involve common issues of law and fact.

Third, and most importantly, consolidation is to be denied where two cases are at substantially different stages of litigation, e.g., the first ready for trial and the second just commencing. This is precisely the situation here, as THL filed Opposition no. 91207516 on October 16, 2012, whereupon an original discovery and trial schedule was established, and Delson then filed Opposition No. 91215611 on March 26, 2014. The two cases were consolidated under Parent Case no. 91207516, and discovery and trial dates were set for a second time. Disclosures have been made in Parent Case no. 91207516 and all discovery – save one deposition and the response to one written request – have been completed. Pending the dissolution of its suspended status, Parent Case no. 91207516 is ready for trial.

On the other hand, Opposition nos. 91225628 and 91225630 were recently filed on January 4, 2016, and no disclosure or discovery has been conducted therein. Thus, THL asks the Board to consolidate and schedule discovery and trial dates for a *third* time. Accordingly, consolidating the two recent actions with Parent Case no. 91207516 will result in an unacceptable and prejudicial delay of the Parent Case.

For these reasons, Delson respectfully requests that the Board deny THL's motion to consolidate Parent Case no. 91207516 with recent Opposition nos. 91225628 and 91225630.

II. PROCEDURAL BACKGROUND

A. The Parent Case – THL v. Delson (Opposition No. 91207516) and Delson v. THL (Opposition No. 91215611).

On October 16, 2012, THL filed a notice of opposition against Delson for the mark TENCENT (Serial No. 85538374). On October 17, 2012, the Board issued an *original* schedule which included dates for initial disclosure (January 25, 2013), the close of discovery (June 24, 2013), and trial (August 8, 2013 to January 5, 2014.)

On March 26, 2014, Delson filed a notice of opposition, no. 91215611, against THL for the mark TencentWeibo (Serial No. 85455475).

On March 31, 2014, the Board issued an order that “Opposition Nos. 91207516 and 91215611 are hereby consolidated and may be presented on the same record and briefs.” Noting that “scheduling, conferencing, discovery and initial disclosure dates are reset,” the Board set forth a *second*, revised schedule as follows:

- Deadline for Discovery Conference – June 4, 2014;
- Discovery Opens – June 4, 2014;
- Initial Disclosures Due – July 4, 2014;
- Discovery Closes – December 1, 2014.

Discovery in the Parent Case is virtually complete, save one deposition and the response to a single written set of discovery. While the case is currently suspended, it is otherwise ready for trial.

B. The Two New Cases – Delson v. THL (Opposition Nos. 91225628 and 91225630).

On January 4, 2016, Delson filed Opposition no. 91225628 against THL's application for the mark Tencent (serial no. 86633476) and Opposition no. 91225630 against THL's application for the mark Tencent (serial no. 86633487).

On February 11, 2016, THL filed a motion to dismiss Delson's claims for (i) false suggestion of connection and, (ii) likelihood of confusion:

The Notice alleges false suggestion of a connection pursuant to Section 2(a), 15 U.S.C. § 1052(a), and likelihood of confusion pursuant to Section 2(d), 15 U.S.C. § 1052(d). Both claims are based on rights that Delson has allegedly established in the mark TENCENT ... [t]he Notice does not contain any allegations that address the rights of privacy and/or of publicity, which typically accompany a claim of false suggestion of a connection. Moreover, the Notice uses only vague and ambiguous language to claim prior rights ...

In response to THL's motion, on February 25, 2016, Delson filed, pursuant to F.R.C.P., Rule 15(a)(1) and TBMP § 315, an Amended Notice of Opposition in both matter no. 91225628 and no. 91225630. THL has not yet responded to these pleadings and the matters are not at-issue.

III. LEGAL ARGUMENT

A. THL's Motion To Consolidate Is Premature, As No Answer Has Been Filed And Matter Nos. 91225628 and 91225630 Are Not At Issue.

Under Rule 42(a)(1), consolidation may be ordered for "matters at issue in the actions ..." (Emphasis added.) In this regard, the Trademark Trial and Appeal Board Manual of Procedure provides, "[g]enerally, the Board will not consider a motion to consolidate until an answer has been filed (i.e., until issue has been joined) in each case sought to be consolidated." TMPB § 511 (parenthesis in original and emphasis added).

The implicit reason is that, until the pleadings are settled, there is no definitive basis for comparison of the two sets of cases so as to determine the propriety of consolidation.

Here, in response to THL's motions to dismiss, Delson filed an Amended Notice of Opposition in matter nos. 91225628 and 91225630. These amended pleadings displace THL's extant motions so as to vitiate – and create a new – “trigger” for these proceedings.

However, even if THL's extant motions to dismiss were the operative responsive pleadings, the case would still not be at issue for purposes of Rule 42(a)(1) or § 511. Since the Board's disposition of any motion to dismiss is unknown prior to any ruling thereon – i.e., deny, grant, or grant with leave to amend – these opposition proceedings cannot be at issue until an answer to Delson's opposition is filed. For this reason, THL's motion to consolidate is premature and should be denied on this basis alone.

B. THL's Argument Regarding Common Law And Facts Is Inapposite And Unsupported.

The basis for THL's motion is the notion that a shared core of law and facts is, in and of itself, sufficient for consolidation. However, this is not the law, either in general or as applied to trademark cases.¹ In any event, THL has failed to provide evidence that the two new actions involve common issues of law and fact with Parent Case no. 91207516.

While a condition precedent thereto, shared law and facts do not dictate consolidation where prejudice, inconvenience or delay would result:

¹ *Lexington Lasercomb I.P.A.G. v. GMR Prods., Inc.*, 442 F.Supp.2d 1277, 1279 (S.D.Fla. 2006) (Denying defendant's motion to consolidate trademark action, “the Court finds that consolidation is not warranted here.”); *Holiday Inns of America, Inc. v. Lussi*, 42 F.R.D. 27, 30 (N.D.N.Y. 1967) (Denying consolidation of trademark actions on the basis of shared common questions of law and fact.)

[T]he mere *existence of these common issues*, although a prerequisite to consolidation, *does not mandate a joint trial*. The court must balance the savings of time and effort gained from consolidation against the inconvenience, delay, or expense that might result from simultaneous disposition of the separate actions.

Cedars-Sinai Med. Ctr. v. Revlon, Inc., 111 F.R.D. 24, 32 (D.Del. 1986); *Dentsply Int'l, Inc. v. Kerr Mfg. Co.*, 734 F.Supp. 656, 659 (D.Del. 1990). (Emphasis added.)

Here, THL lists the factors in *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973), and suggests that the putative commonality between Parent Case no. 91207516 and the two recent Oppositions is sufficient for consolidation.² However, apart from this conclusory statement, THL provides no evidence – e.g., a declaration – in support of the foregoing.³

There is no juxtaposition of the facts at issue Parent Case no. 91207516 vis-à-vis the two recent Oppositions to establish how, if at all, the matters parallel the thirteen factors set forth in *E.I. du Pont, supra*, 476 F.2d at 1361. This undertaking is adjunct to a motion for consolidation in a trademark action. *See, La Chemise Lacoste v. Alligator Co.*, 60 F.R.D. 164, 165; 178 USPQ 393 (D.C.Del. 1973) (Comparing 10 factors to determine whether two trademark actions shared common issues of law and fact.) Accordingly, THL's motion must be denied because it has failed to sustain its burden of demonstrating common issues of law and fact.

² “The proceedings also involve common questions of fact and law because they each involve questions related to (i) priority of rights to the mark TENCENT, and (ii) the likelihood of confusion, if any, arising from Tencent's applications to register the mark TENCENT-related marks.” (THL Motion to Consolidate, pp. 3-4.)

³ *See Travelers Cas. & Sur. Co. v. Telstar Constr. Co.*, 252 F.Supp.2d 917, 922 (D.C.Az. 2003) (Holding that, in defending itself against a motion to dismiss, plaintiff is “obligated to come forward with facts, by affidavit or otherwise ...”); *see, also, Banks v Employers' Liability Assurance Corp.*, 4 F.R.D. 179, 180 (D.C.Mo. 1944) (Rejecting motion where “plaintiff has not supplied evidence.”)

C. THL’s Motion Should Be Denied Because Parent Case No. 91207516 Is Ready For Trial, Whereas Opposition Nos. 91225628 and 91225630 Were Only Recently Filed And Have Been Amended.

Irrespective of putative common issues of law and fact, the most important reason to deny THL’s motion to consolidate is that Parent Case no. 91207516, filed on October 16, 2012 (and already consolidated with Opposition no. 91215611 on March 31, 2014), is ready for trial with discovery almost complete. On the other hand, Delson’s two new actions were filed on January 4, 2016 and, as a result of THL’s motion to dismiss, two amended Notice of Oppositions were just filed on February 25, 2016. Discovery has yet to begin in these matters.

Indeed, after rendering an original discovery and trial schedule on October 17, 2012, the Board has already reset all the deadlines via its March 31, 2014 order. The delay inherent in a *second consolidation* and *third setting* of discovery and trial dates precludes THL’s motion.

The law is clear, with respect to considering a motion to consolidate, “the disposition of the *earlier case should not be delayed* by the later filed litigation.” *Dentsply, supra*, 734 F.Supp. at 659 (emphasis added). Specifically, consolidation is not appropriate where one case is ready for trial and the other still in discovery:

[T]he district judge also ruled that consolidation would be improper because *the cases were at different stages of preparedness for trial*. At the time of his ruling, *the [earlier filed] case was ready for trial, while the other cases were still in the discovery stages*.

St. Bernard Gen. Hosp., Inc. v. Hosp. Serv. Ass’n of New Orleans, Inc., 712 F.2d 978, 990 (5th Cir. 1993). (Emphasis added.)

Thus, even if two cases share common issues of law and fact, consolidation should be denied where one is ready for trial and the second just beginning discovery. In

Transeastern Shipping Corp. v India Supply Mission, 53 F.R.D. 204 (S.D.N.Y. 1971), a vessel owner filed 10 separate breach of contract actions, whereupon – two years after the first action was filed and ready for trial – the defendant sought to consolidate the matters.

While noting that the legal issues were the same and the incidents all occurred at the same location, the Court observed that the cases were in different phases of litigation, where discovery was complete and the matter ready for trial for the earlier action while discovery was just beginning in the latter:

Although there are common questions of law and fact in the ten cases involved here, their respective calendar positions vary greatly. Of the ten cases, *at least one ... has completed its pretrial* and is ready to be tried. Others are at various stages in their pretrial, and *in some the pretrial has not yet begun.*

Id. at 206. (Emphasis added.)

Observing that consolidation would delay the adjudication of the cases ready for trial, the court followed established precedent and denied the defendant’s motion:

If the court were to order consolidation now, *the cases which were ready for or close to trial would have to be held up pending completion of pretrial in the other cases.* Such a result would delay rather than expedite the disposition of those cases which are now prepared for trial. In such a situation courts have consistently denied consolidation.

Id. (Emphasis added.)

This principle applies with equal force to motions to consolidate trademark actions. In *La Chemise Lacoste, supra*, 60 F.R.D. 164, plaintiff, which had an “alligator” trademark for sporting equipment, sued defendant for the use of an alleged similar mark for toiletries and bags, and “moved to consolidate the new action with the present case.” *Id.*, 174-175.

While finding that the two actions did not involve sufficient commonality, the Court held that the more important reason to deny consolidation was because it would delay adjudication of the earlier action:

Secondly and more importantly, the cases should not be consolidated as a matter of sound judicial administration. [The first case] has been pending since April 3, 1970 and is close to trial. The new action has only been recently instituted; undoubtedly much discovery will be needed to ready it for trial. ***The disposition of the earlier case should not be delayed by the later filed litigation.*** [¶] The motion to consolidate will be denied.

Id., 176. (Emphasis added.)

Here, consolidation should be denied because it would result in an unacceptable delay of Parent Case no. 91207516. THL's original Opposition was filed three and half years ago, on October 16, 2012, whereupon the Board issued a discovery and trial schedule. After Delson filed Opposition No. 91215611 on March 26, 2014, the Board consolidated the matters on March 31, 2014, and reset the discovery and trial dates.

THL now wants a ***third*** discovery and trial schedule. This request, however, disregards that virtually all the discovery in Parent Case no. 91207516 is complete and the action is ready for trial. Accordingly, THL's motion to consolidate would result in further delay of a matter already rescheduled two years ago. Given the contrasting stages of litigation of the two actions, the recent cases should not be consolidated with Parent Case no. 91207516.

IV. CONCLUSION

In response to THL's motion to dismiss, Delson filed amended Oppositions in matter nos. 91225628 and 91225630, thereby rendering the matters not at-issue and precluding consolidation under F.R.C.P., Rule 42(a)(1) and TBMP § 511. Furthermore, THL has not *prima facie* showed that the two new Oppositions involve common issues of

law and fact with Parent Case no. 91207516. Finally, given the two discovery and trial setting orders already issued regarding the Parent Case and the fact that the matter is ready for trial, Delson's request for a third scheduling order would result in unacceptable delay. For these reasons, Delson respectfully requests that the Board deny THL's motion to consolidate.

Date: March 3, 2016

/J. James Li/

J. James Li, Ph.D.

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing

- Opposition to Motion to Consolidate

has been served on Matthew J. Kuykendall and Aaron Hendelman, Attorneys for Opposer Tencent Holdings Limited, by mailing said copy on March 3, 2016, via USPS, postage prepaid to:

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