

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Mailed: January 2, 2018

Opposition No. 91226465 (**Parent**)

Opposition No. 91232083

Carl's Jr. Restaurants LLC

v.

*Burma Super Star, Inc.,
Desmond Tan*

Mary Beth Myles, Interlocutory Attorney:

This proceeding now comes before the Board for consideration of Opposer's motion to amend its notice of opposition (filed September 7, 2017) to assert the claim that Burma Super Star, Inc.'s ("Burma Super Star") involved application is void ab initio. The motion is fully briefed.

For purposes of this order, the Board presumes the parties' familiarity with the pleadings, the history of the proceeding, and the arguments and evidence submitted with respect to the motion.

I. Sua Sponte Consolidation

Before addressing the motion to amend, the Board notes that the above-captioned proceedings, Opposition Nos. 91226465 and 91232083, involve some of the same parties, similar marks, and similar claims.

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When cases involving common questions of law or fact are pending before the Board, the Board may order consolidation of the cases. *See* Fed. R. Civ. P. 42(a); *Regatta Sport Ltd. v. Telux-Pioneer Inc.*, 20 USPQ2d 1154 (TTAB 1991); and *Estate of Biro v. Bic Corp.*, 18 USPQ2d 1382 (TTAB 1991). In determining whether to consolidate proceedings, the Board will weigh the savings in time, effort, and expense that may be gained from consolidation, against any prejudice or inconvenience that may be caused thereby.

Consolidation is discretionary with the Board, and may be ordered upon motion granted by the Board, or upon stipulation of the parties approved by the Board, or upon the Board's own initiative. *See, e.g., Hilson Research Inc. v. Society for Human Resource Management*, 27 USPQ2d 1423 (TTAB 1993).

The parties to these proceedings are, in part, identical, and the issues are similar or related. Accordingly, the Board *sua sponte* orders consolidation of the above-captioned proceedings. Opposition Nos. 91226465 and 91232083 are hereby consolidated and may be presented on the same record and briefs. *See Hilson Research Inc.*, 27 USPQ2d 1423; and *Helene Curtis Industries Inc. v. Suave Shoe Corp.*, 13 USPQ2d 1618 (TTAB 1989).

The Board file will be maintained in Opposition No. 91226465 as the “parent case.” From this point on, only a single copy of all motions and submissions should be filed,

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and each submission should be filed in the parent case only, but caption all consolidated proceeding numbers, listing and identifying the “parent case” first.¹

Despite being consolidated, each proceeding retains its separate character and requires entry of a separate judgment. The decision on the consolidated cases shall take into account any differences in the issues raised by the respective pleadings; a copy of the decision shall be placed in each proceeding file.

Upon consolidation, the Board will reset dates for the consolidated proceeding, usually by adopting the dates as set in the most recently instituted of the cases being consolidated. Accordingly, the Board resets dates as set forth below consistent with the dates set forth in Opposition No. 91232983, which is the most recently instituted case.

II. Background for Opposition No. 91226465

Burma Super Star seeks to register the mark BURMA SUPERSTAR, in standard characters, for the following goods and services:²

International Class 29: tea leaf salads in the nature of vegetable salads; lotus chips in the nature of vegetable chips; pre-cooked curry stew; packaged entrees consisting primarily of meat, fish, poultry or vegetables; prepared entrees consisting primarily of meat, fish, poultry or vegetables; frozen entrees

¹ The parties should promptly inform the Board of any other Board proceedings or related cases within the meaning of Fed. R. Civ. P. 42, so that the Board can consider whether further consolidation is appropriate.

² Application Serial No. 86585818, filed April 2, 2015, claiming November 24, 2014 as both the date of first use and the date of first use in commerce in connection with the claimed services in International Classes 29 and 30 and March 18, 1992 as both the date of first use and the date of first use in commerce in connection with the claimed services in International Class 43. The services in International Class 32 were filed based on an allegation of a bona fide intent to use the mark in commerce. Burma Super Star contends that the USPTO erred in identifying the filing basis for certain goods and services in response to an Office Action and that Burma Super Star filed a post-publication request to amend the filing basis of certain goods in International Classes 29 and 30.

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consisting primarily of meat, fish, poultry or vegetables; nut and seed snack mix; prepared nut and seed mix for topping salads;

International Class 30: salad dressing; tea leaf snack bars; coconut rice, namely, cooked rice prepared with coconut milk; tea leaf-based snack foods, namely, tea leaf clusters;

International Class 32: non-alcoholic beverages, namely, carbonated beverages; ginger ale; ginger beer; ginger lemonade; ginger flavored beverages;

International Class 43: restaurants.

On February 22, 2016, Opposer filed a notice of opposition alleging likelihood of confusion and dilution by blurring as the grounds for opposition. In support of its standing and claims, Opposer asserted, *inter alia*, ownership of Registration No. 1099039 for the mark SUPER STAR and Registration No. 4704436 for the mark SUPER STAR REWARDS. On May 4, 2016, Burma Super Star filed an answer denying the salient allegations of the notice of opposition.

I. Opposer's Motion for Leave to Amend Its Notice of Opposition in Opposition No. 91226465

By way of its motion, Opposer seeks to amend its notice of opposition to assert the additional claim that Burma Super Star's involved application is void *ab initio* because (1) Burma Super Star was not the owner of the involved mark at the time of the filing of the involved application, (2) Burma Super Star had not used its involved mark in interstate commerce "in connection with all the goods identified" in Burma Super Star's involved application at the time the application was filed, (3) Burma Super Star failed to exert sufficient quality control over licensees and engaged in naked licensing. 24 TTABVUE 2.

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In support thereof, Opposer maintains that it obtained the information needed to formulate the basis of the claim from Burma Super Star's responses to Opposer's Interrogatories, which Opposer contends support its claims that Burma Super Star is not the proper owner of the involved mark, Burma Super Star has not used its mark in connection with all of the goods identified in the involved application, and that Burma Super Star engaged in naked licensing or failed to exercise proper control.

In response, Burma Super Star contends that allowing Opposer to amend its pleading at this juncture would prejudice Burma Super Star because discovery has closed and Burma Super Star would have responded differently to discovery requests had it known that Opposer would assert claims that the application was void ab initio. For example, Burma Super Star contends that it would have provided more detail concerning its license agreements and quality control had it known the proposed claims were at issue. Burma Super Star further contends that Opposer unduly delayed in filing its motion because Opposer received Burma Super Star's discovery responses in December 2016 and documents responsive to Opposer's document requests in January 2017.

A. Decision

Inasmuch as Burma Super Star filed its answer more than twenty-one days ago, Opposer may amend its pleading only by written consent of Burma Super Star or by leave of the Board. *See* Fed. R. Civ. P. 15(a); TBMP § 507.02 (June 2017).

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

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settled law or be prejudicial to the rights of the adverse party. *See id.*; *see also American Optical Corp. v. American Olean Tile Co.*, 168 USPQ 471 (TTAB 1971).

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). “[W]here the moving party seeks to add a new claim, 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.” *Giersch v. Scripps Networks Inc.*, 85 USPQ2d 1306, 1309-1310 (TTAB 2007).

The timing of the motion for leave to amend is a major factor in determining whether Burma Super Star would be prejudiced by allowance of the proposed amendments. *See* TBMP § 507.02 and cases cited therein. A motion for leave to amend should be filed as soon as any ground for such amendment, e.g., newly discovered evidence, becomes apparent. A long delay in filing a motion for leave to amend may render the amendment untimely. *See International Finance Co. v. Braco Co.*, 64 USPQ2d 1597, 1604 (TTAB 2002). “Any party who delays filing a motion for leave to amend its pleading and, in so delaying, causes prejudice to its adversary, is acting contrary to the spirit of Rule 15(a) and risks denial of that motion.” *See Trek Bicycle Corp. v. StyleTrek Ltd.*, 64 USPQ2d 1540, 1541 (TTAB 2002) (citing Wright, Miller & Kane, *Federal Practice and Procedure: Civil 2d*, § 1488 (1990); Chapman, *Tips from the TTAB: Amending Pleadings: The Right Stuff*, 81 Trademark Reporter 302, 307 (1991).

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In this instance, based on the record, the Board does not find any evidence of bad faith or dilatory motive. Because this is the first instance where Opposer has sought to amend its notice of opposition, the Board also does not find that Opposer has abused its right to amend its pleading.

The Board does not find undue delay on the part of Opposer in seeking to amend its pleading at this juncture in the proceeding. Although it would have been a better practice for Opposer to have filed its motion shortly after receiving the discovery responses and documents, the Board notes that proceedings were suspended for settlement for over three months during this period.

Moreover, the concept of “undue delay” is inextricably linked with the concept of prejudice to the non-moving party. *See Marshall Field & Co. v. Mrs. Field Cookies*, 11 USPQ2d 1355, 1359 (TTAB 1989). In this case, the Board finds no such prejudice to Burma Super Star in allowing Opposer to add its proposed new claim, particularly since any evidence regarding Burma Super Star’s ownership of its mark, its use of its involved mark or any representations made in its subject application, and its licensing and quality control of its mark, would be in Burma Super Star’s own possession, custody and control. Moreover, to the extent Burma Super Star contends it needs additional discovery or needs time to amend its responses to discovery to defend against the proposed claims, the Board has adopted the schedule of consolidated Opposition No. 91232083, in which discovery remains open.³

³ Accordingly, Burma Super Star’s alternative request to reopen discovery is deemed moot.

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With regard to the futility of Opposer's proposed claim, the Board finds that Opposer has properly pleaded that Burma Super Star was not the owner of the mark at issue at the time of the filing of the involved application and that Burma Super Star has failed to police its mark or engaged in naked licensing. With respect to Opposer's claim that the involved application is void because Burma Super Star did not use its mark in connection with some of the goods at the time it filed its application, the Board notes that, although not futile, if proven, such a claim will only result in the entering of judgment against Burma Super Star solely in regard to those goods that Burma Super Star failed to use its mark in connection therewith prior to the time it filed any use-based application or prior to the filing of an amendment to allege use or the expiration of time for filing a statement of use thereof.⁴ See *Embarcadero Techs., Inc. v. Delphix Corp.*, 117 USPQ2d 1518, 1526 (TTAB 2016). It would not render the entire application void *ab initio*. See *Grand Canyon West Ranch LLC v. Hualapai Tribe*, 78 USPQ2d 1696 (TTAB 2006) ("The case law is clear that holding an application to be void is an appropriate remedy when the pleaded ground either is fraud, or that the applicant has not used the applied-for mark on *any* of the goods or services identified in the application prior to the filing of the application.") (emphasis added); see also 6 J. McCarthy, *McCarthy on Trademarks and Unfair Competition* § 3:73 (5th ed. 2017) (citing "The Grand Canyon Rule").

⁴ As noted above, Burma Super Star contends that the USPTO records contain an error, which Opposer disputes. The Board does not decide the merits of Opposer's claim at this time, but finds merely that the claim is sufficiently pleaded, as limited above.

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Finally, in determining this motion, the Board necessarily conducted a review of the entirety of the pleadings, including all claims. Although the Board finds that Opposer has properly pleaded its standing and a claim of likelihood of confusion, the Board finds that Opposer has not, in part, pleaded a proper claim of dilution by blurring. Pursuant to Section 43(c) of the Trademark Act:

the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, ***commences use of a mark or trade name in commerce***⁵ that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

15 U.S.C. § 1125(c)(1) (emphasis added).

Where an application is based on an intent to use, an opposer need only plead that its mark became famous prior to the filing date of the application. *See Omega SA (Omega AG) (Omega Ltd.) v. Alpha Phi Omega*, 118 USPQ2d 1289, 1294 (TTAB 2016). Where an application is based upon use in commerce, however, an opposer must plead that its mark was famous prior to any established, continuous use of the involved mark, whether as a trademark or trade name. *Id.* at 1297-98.

Here, Opposer has pleaded that its mark became famous prior to the *filing* date of Burma Super Star's involved application and that Burma Super Star's use of its involved mark is likely to dilute the distinctiveness of Opposer's marks. Amended notice of opposition ¶ 2, 11. There is some dispute regarding the appropriate filing

⁵ Commerce is defined by the Lanham Act as "all commerce which may lawfully be regulated by Congress," which includes interstate commerce or commerce between the United States and a foreign country. Section 45 of the Lanham Act, 15 U.S.C. § 1127.

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basis of some of Burma Super Star's goods in its multi-class application. Burma Super Star contends that the USPTO erred in publishing the entirety of goods in International Classes 29 and 30 as use-based, where Burma Super Star purports to have asserted use in commerce for only a portion thereof. Opposer, in part, bases its motion to amend on an alleged improper claim of use in commerce in connection with some of the goods in the involved application. The Board need not and does not decide the merits of Opposer's claim at this time. Where the application was filed based on a claim of use in commerce pursuant to Section 1(a) of the Trademark Act, a proper claim of dilution must plead that the opposer's mark became famous prior to any established, continuous use of the involved mark. *See id.* at 1297-98. Accordingly, Opposer's claim is insufficiently pleaded with respect to each of the goods and services filed pursuant to a claim of use under Section 1(a) of the Trademark Act in International Classes 29, 30, and 43.

In view of the foregoing, Opposer's motion for leave to amend its pleading is **GRANTED** to the extent that Opposer is allowed until **January 22, 2018** in which to file and serve a revised amended pleading that properly asserts a claim of dilution with respect to those goods and services for which Burma Super Star filed based on an allegation of use in commerce, failing which Opposer's claim of dilution will be stricken and given no further consideration with respect to such goods and services only. In turn, Burma Super Star is allowed until **twenty days** from the date indicated on the certificate of service of Opposer's revised amended pleading in which to file and serve its answer or otherwise respond to the revised amended pleading.

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In the event Opposer fails to file and serve a revised amended pleading by the deadline set forth herein, Burman Super Star is allowed until **February 11, 2018** in which to file and serve its answer or otherwise respond to Opposer's amended pleading filed on September 7, 2017, as limited above.

Proceedings herein are resumed. As noted above, the Board adopts the schedule in Opposition No. 91232083 for these consolidated proceedings. Discovery is open. Remaining dates are reset as follows:

Expert Disclosures Due	January 5, 2018
Discovery Closes	February 4, 2018
Plaintiff's Pretrial Disclosures Due	March 21, 2018
Plaintiff's 30-day Trial Period Ends	May 5, 2018
Defendant's Pretrial Disclosures Due	May 20, 2018
Defendant's 30-day Trial Period Ends	July 4, 2018
Plaintiff's Rebuttal Disclosures Due	July 19, 2018
Plaintiff's 15-day Rebuttal Period Ends	August 18, 2018
BRIEFS SHALL BE DUE AS FOLLOWS:	
Plaintiff's Main Brief Due	October 17, 2018
Defendant's Main Brief Due	November 16, 2018
Plaintiff's Reply Brief Due	December 1, 2018

Generally, the Federal Rules of Evidence apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125. These include pretrial disclosures, the manner and timing of taking testimony, matters in evidence, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition transcripts and stipulated evidence. Trial briefs shall be

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submitted in accordance with Trademark Rules 2.128(a) and (b). Oral argument at final hearing will be scheduled only upon the timely submission of a separate notice as allowed by Trademark Rule 2.129(a).