

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

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Mailed: July 24, 2003

Cancellation No. 32,631

Bacou USA Safety, Inc.

v.

Central Manufacturing Co.

Before Quinn, Hairston and Rogers, Administrative Trademark Judges.

By the Board.

On February 27, 2003, the Board, inter alia, (a) denied a Rule 11 motion for sanctions by respondent (who is proceeding pro se), which asserted that petitioner did not comply with Rule 11 in filing the petition to cancel;¹ and (b) denied respondent's motion to compel.² The Board also

¹ Respondent's motion for Rule 11 sanctions asserted that petitioner's petition to cancel is frivolous and unsupported, because the allegation in paragraph 5 of the petition to cancel regarding abandonment is false. We denied the motion for sanctions because petitioner's counsel explained that he had become familiar with respondent through participation in another proceeding.

² The Board also denied as inappropriate respondent's request for discovery sanctions embedded in respondent's motion to compel because no discovery order has been issued by the Board.

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ordered respondent to show cause why sanctions should not be entered against it for filing the Rule 11 motion, after finding that "the motion for Rule 11 sanctions is groundless since it is clear that petitioner made a reasonable inquiry and had a reasonable basis for the complaint."³

This case now comes up on the following matters, each of which was filed on March 24, 2003 and each of which petitioner has opposed:

- (1) Respondent's "Motion for Reconsideration of Board Order ... and/or Response to Show Cause Why the Respondent Should Not Be Sanctioned";
- (2) Respondent's motion to dismiss; and
- (3) Respondent's motion for discovery sanctions.

Each motion is discussed in turn below.

"Motion for Reconsideration of Board Order ... and/or Response to Show Cause Why the Respondent Should Not Be Sanctioned"

This filing seeks reconsideration of the Board's "finding that Respondent's Rule 11 was completely 'unfounded'" or, in the alternative, contends that "there is absolutely no sustainable justification in the record for sanctioning the Respondent for filing its motion for Rule 11 [sic]."

Respondent argues that petitioner and its counsel, Anthony Fletcher, were not "familiar with Mr. Stoller [i.e.,

³ As noted in the February 27, 2003 order, "[a]ny frivolous motion, including a frivolous Rule 11 motion, can itself result in sanctions against the movant." See Fed. R. Civ. P. 11(c)(1)(A); and TBMP Section 529.

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President of respondent] and his businesses through prior litigation," i.e., Opposition No. 108,769 between the parties; that "Mr. Fletcher did not enter that case until long after discovery had been closed"; and that "Petitioner's counsel is well aware that the Registrant owns over 28 STEALTH Federal Trademark Registrations."

Each of these arguments was made, or could have been made, by respondent in its prior Rule 11 motion. Thus, to the extent that respondent has moved for reconsideration, its motion is denied.⁴

As a response to the Board's show cause order, respondent's arguments fail to persuade us that sanctions should not be entered for filing the Rule 11 motion. Respondent contends that "Mr. Fletcher ... did not enter that case [i.e., Opposition No. 108,769] until long after discovery had been closed." However, discovery closed on May 13, 1998 in the prior proceeding, several years before November 26, 2001, the date petitioner filed its petition to cancel in this proceeding. Mr. Fletcher filed numerous papers in that proceeding subsequent to the close of discovery and prior to November 26, 2001, and thus had to have become familiar with the other proceeding prior to

⁴ A motion for reconsideration should not be devoted simply to a reargument of the points presented in a brief on the original motion. Rather, it normally should be limited to a demonstration that, based on the facts before it and the applicable law, the

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filing the instant cancellation action. Also, Mr. Fletcher's declaration filed with his opposition to the motion for Rule 11 sanctions states that Mr. Fletcher has "represented Opposer against Mr. Stoller and his companies in Opposition No. 108,769 since September 1998" (which was several years prior to the filing of the petition to cancel in the present proceeding on November 26, 2001). Mr. Fletcher adds in this declaration that "in the course of that activity," i.e., representing petitioner prior to the filing of the petition to cancel, he has "examined discovery obtained by prior counsel in the opposition proceeding from Mr. Stoller"; has learned that "Mr. Stoller and his companies have been found in various court decisions to have no rights to trademarks they have claimed to own"; and has learned that "there have been intimations in the reported decisions involving Mr. Stoller and his companies that he does not always tell the truth." Thus, even if Mr. Fletcher entered the prior proceeding after discovery had closed, we remain persuaded that Mr. Fletcher was familiar with Mr. Stoller and his business through their prior litigation and Mr. Fletcher's review of the court decisions referred to in his affidavit. We therefore cannot conclude, as respondent urges, that "Petitioner and its counsel, Mr. Fletcher,

Board's ruling is in error and requires appropriate change. See TBMP §518.

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[were] not at all familiar with Mr. Stoller and his businesses through prior litigation" when petitioner's attorney filed the petition to cancel. Respondent's repeated intimations to the contrary, without support, do not persuade us otherwise.

Moreover, as petitioner fully explained its position through Mr. Fletcher's declaration filed in opposition to respondent's motion for sanctions, even if respondent was unaware of the extent of Mr. Fletcher's knowledge prior to filing the motion for sanctions, respondent clearly knew it all when it received the response to the motion for sanctions. Thus, the request for reconsideration is entirely unwarranted and appears intended solely to delay prosecution of this case. Hence, we find that respondent has not only failed to show cause why sanctions should not be imposed on it for filing the groundless Rule 11 motion, but has also compounded its wrong by filing a groundless motion for reconsideration.

Thus, as a sanction for filing its groundless Rule 11 motion,⁵ respondent is hereby prohibited from filing any further motions in this case whatsoever, including a motion for reconsideration of this order. This sanction is effective for the duration of this proceeding and petitioner

⁵ Of course, we tailor our sanction to respondent's conduct, i.e. its filing a groundless motion in violation of Rule 11.

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should not respond to any motion filed by respondent.⁶ Any violation of this order shall result in entry of judgment against respondent. See *Carrini, Inc. v. Carla Carini, S.R.L.*, 67 USPQ2d 1057 (TTAB 2000). The Board will look to the substance of any paper filed by respondent to determine whether a motion has been filed and will not decide whether a motion has been filed based on the title of the paper alone. See *Guardian Chemical Corp. v. International Dioxide, Inc.*, 162 USPQ 267, 268 n. 1 (TTAB 1968) (A motion or other paper will be considered "for what it really is and not on the basis of the label it bears.").

Motion to Dismiss⁷

Respondent, in its motion to dismiss, seeks dismissal of the petition to cancel because petitioner "has not properly pled a damage allegation that can be entertained by this Board and/or is sufficient to establish that it is being damaged by Registrant's ... registration." (Emphasis in the original.) Specifically, respondent maintains that the following allegation in paragraph 7 of the petition to cancel "is not a valid claim of damages which may be

⁶ This prohibition does not prevent respondent from filing a response to a motion filed by petitioner, but does bar respondent from filing any cross-motion in response to a motion filed by petitioner.

⁷ Respondent's answer, filed on the same date as respondent's motion to dismiss, is noted.

entertained by the Board as grounds for cancellation"

(emphasis in the original):

Petitioner suffers harm from the registration because it prima facie grants Registrant the exclusive right to use the trademark **STEALTH** in commerce for protective goggles, and thereby subjects Petitioner to unfounded demands to cease use of its mark and to potential harassment designed to extract from Petitioner payment for a "license" to continue its use of a trademark it alone has made successful and respected in the safety eyewear market.

A petition to cancel must set forth a short and plain statement showing why the petitioner believes it is or will be damaged by the registration. Trademark Rule 2.112(a). Also, the Court of Appeals for Federal Circuit, our primary reviewing court, has stated that a plaintiff must allege that it has a "real interest" in the outcome of a proceeding; that is, plaintiff must have a direct and personal stake in the outcome of the proceeding and must have a "'reasonable' basis for its belief of damage." See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999).

We have already reviewed the petition to cancel in connection with respondent's motion for Rule 11 sanctions and did not find that it suffers in any respect. See Board's order of February 27, 2003. In connection with respondent's present motion, we have once again reviewed the entire complaint, and conclude that paragraph 7 of the complaint states a proper claim of damage and properly

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alleges petitioner's real interest in the outcome of this proceeding. It is common knowledge that respondent and its president have a long history of harassment of other parties through proceedings at the Board and in the Federal courts.⁸ Under such circumstances, petitioner's express statement of its fear of "unfounded demands" by respondent is reasonable. Respondent's motion to dismiss is therefore denied.

Motion for Discovery Sanctions

Respondent relies on the Board's order of February 27, 2003 in making its motion for sanctions, which allowed the parties thirty days "to arrange for the taking, in the proper locations, of the depositions of Ms. Chambers and Mr. Sustello," petitioner's designated Rule 30(b)(6) witnesses. The Board also stated:

⁸ Mr. Stoller's litigation strategy of harassment in other cases is well documented. See *S Industries Inc. v. Centra 2000 Inc.*, 249 F.3d 625, 58 USPQ2d 1635 (7th Cir. 2001) (affirming award of attorney's fees against S Industries Inc. noting a pattern of abusive and improper litigation, specifically citing S Industries Inc.'s officer, Leo Stoller); *S Industries Inc. v. Stone Age Equipment Inc.*, 12 F.Supp.2d 796, 49 USPQ2d 1071 (N.D. Ill. 1998) (awarding attorneys fees and costs for oppressive suit where plaintiff offered "highly questionable (and perhaps fabricated) documents" and testimony from its principal that was "inconsistent, uncorroborated, and in some cases, demonstrably false"); *S Industries Inc. v. Diamond Multimedia Systems, Inc.*, 991 F. Supp. 1012, 45 USPQ2d 1705 (N.D. Ill. 1998) (awarding attorneys fees and costs based on plaintiff's frivolous claims); and *S Industries, Inc. v. Hobbico, Inc.*, 940 F. Supp. 210 (N.D. Ill. 1996) (directing plaintiff's counsel "to address some plainly questionable aspects of [S Industries, Inc.'s] lawsuit," and noting that "S Industries, Inc. ('S') appears to have entered into a new industry -- that of instituting federal litigation ... [A]nd this court has had occasion to note a proliferation of other actions brought by S").

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[T]he parties are expected to make sincere efforts to resolve discovery disputes between themselves by discussing the issues, reaching an accommodation and, if unsuccessful, carefully assessing the requirements of the applicable rules prior to seeking relief from the Board, as appropriate.

Mr. Stoller maintains that on Friday, March 14, 2003, he called Mr. Fletcher to arrange for the depositions of Ms. Chambers and Mr. Sustello; that he was informed that Mr. Fletcher was in his office but would not speak with him; and that he asked for a return call and advised that if he did not hear back from Mr. Fletcher "on March 17, 2003,"⁹ that he would file a motion for discovery sanctions. On March 17, 2003, Mr. Stoller received a facsimile from Rosemarie Papetti, "Administrative Assistant and Non-Legal Secretary" to Mr. Fletcher, stating that Mr. Fletcher was out of town but will respond on "Wednesday." Respondent filed its motion for discovery sanctions on March 18, 2003 (via a certificate of mailing); on Wednesday, March 19, 2003, via facsimile, Mr. Fletcher responded to respondent, noting that he would advise Mr. Stoller as to the days Ms. Chambers and Mr. Sustello would be available for their depositions. On March 26, 2003, Mr. Fletcher called Mr. Stoller and left a message on a voice messaging system stating that he believed that they could, before the deadline, schedule depositions

⁹ Monday, March 17, 2003, the day Mr. Stoller threatened to file a motion for sanctions, was the next working day after respondent

if Mr. Stoller would contact him; and that he had not received any response from Mr. Stoller.

Respondent maintains that "[i]t is obvious that the Respondent [sic] is not cooperating in conformance with the Board's discovery Order of February 27, 2003"; and that "Respondent finds the said respond [sic] to be completely unsatisfactory." We disagree and deny respondent's motion for discovery sanctions. As noted in the Board's February 27, 2003 order, respondent had not served proper notices of deposition in accordance with the Federal Rules. The record does not indicate that since February 27, 2003, respondent served a proper notice of deposition regarding the depositions of Ms. Chambers and Mr. Sustello. We will not sanction petitioner for not scheduling the depositions of Ms. Chambers and Mr. Sustello when roughly two weeks remained in the period set by the Board for the parties to schedule the depositions, and the depositions were not even properly noticed. Frankly, the notion that we would even consider doing so is absurd.¹⁰

Discovery and Testimony Periods

Discovery and testimony periods are reset as indicated below. In each instance, a copy of the transcript of

called petitioner regarding the depositions of Ms. Chambers and Mr. Sustello.

¹⁰ We are convinced that the sanction we have entered against respondent above is appropriate in that it will preclude

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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.

DISCOVERY TO CLOSE: January 3, 2004

30-day testimony period for party
in position of plaintiff to close: April 2, 2004

30-day testimony period for party
in position of defendant to close: June 1, 2004

15-day rebuttal testimony period
to close: July 16, 2004

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

respondent from filing motions such as respondent's ridiculous motion for sanctions.