

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Mailed: June 9, 2006

Cancellation No. 92040459

DRAKE ELVGREN, JOHN T.
DILLARD AND LOUIS

v.

VANCAS, J. DANIEL

David Mermelstein, Attorney:

On February 28, 2003, applicant's counsel advised the Board that applicant had filed a voluntary petition for bankruptcy. On March 14, 2003, the Board issued an order staying this proceeding pursuant to the automatic stay provisions of the Bankruptcy Code, 11 U.S.C. § 362, pending final determination of applicant's bankruptcy case. See *In re Checkers of North America Inc.*, 23 USPQ2d 1451 (Comm'r 1992).

To the extent relevant here, the cited section of the Bankruptcy Code stays proceedings against the debtor which were or could have been commenced before the filing of the bankruptcy petition. Bankruptcy Code § 362(a)(1). But the automatic stay is not permanent. On the contrary, the stay is in effect only until a discharge is granted or denied by the Bankruptcy Court. Bankruptcy Code § 362(c)(2)(C).

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Accordingly, the Board makes periodic inquiries of the parties in a proceeding stayed under § 362 to determine whether continued suspension is appropriate. TBMP § 510.03(b). The Board sent such a routine inquiry to the parties in this case on January 20, 2006.

Suspension

On February 6, 2006, respondent filed a 13-page, single-spaced paper accompanied by 111 pages of exhibits. We have considered respondent's submission carefully, and find it to be largely irrelevant. But on the single matter upon which the Board inquired - namely the current status of the bankruptcy proceeding - applicant's response was confusing and contradictory. On one hand, applicant repeatedly "object[s] to the Board[']s presumption that [his] trademarks are released from the automatic Bankruptcy Stay. On the other hand, applicant states that his "Ch. 7 Bankruptcy was approved and cleared for Discharge [on] July 1, 2003."¹ Because the automatic stay dissolves upon discharge, the stay cannot be in effect if discharge has been granted. Nonetheless, because it was apparent that respondent filed its February 5 submission *pro se*, the Board believed that the confusion may have been due to a

¹ Respondent's exhibit 2 appears to be a discharge dated July 1, 2003, but it does not appear to be signed or sealed by the Bankruptcy court, and is at odds with respondent's claims that the stay remains in effect.

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misunderstanding or misuse of the term "discharge" by applicant.

The Board makes liberal and routine use of telephone conferences to resolve a wide variety of issues in opposition and cancellation proceedings. Such a process offers an opportunity for the Board to quickly contact the parties and discuss - often with some degree of informality - matters which may have arisen. This seemed to the Board to be the perfect opportunity for such expeditious resolution. It should have been a simple matter to get both parties on the telephone and find out from respondent whether discharge in his bankruptcy proceeding had been granted or denied. The Board was apparently mistaken; despite several weeks of efforts, respondent has yet to agree to a time for the telephone conference.

But with or without respondent's further input, the Board must answer the questions at hand, namely, what is the status of respondent's bankruptcy proceeding and should this proceeding remain suspended pursuant to Bankruptcy Code § 362?

Using PACER - the Federal Courts' electronic file system - the Board has examined the docket entries for the bankruptcy proceeding which occasioned the suspension of this matter, *In re: James Daniel Vancas*, 03-51248 (Bankr. N.D. Cal.). It appears that the Bankruptcy Court indeed

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issued an order discharging the debtor on July 1, 2003, and that the bankruptcy case was finally closed on January 8, 2004. Because the automatic stay of this proceeding dissolved upon discharge, Bankruptcy Code § 362(c)(2)(C), it appears that this proceeding has been ripe for resumption for close to three years. Respondent's arguments to the contrary notwithstanding, there is no reason to continue suspension of this matter based on respondent's bankruptcy. Accordingly, proceedings herein are RESUMED, although the trial schedule is suspended, for the reasons set out below.

Other Issues

As noted above, respondent's February 5 submission raises a variety of issues, many of which are irrelevant to the question of whether the bankruptcy stay is in effect. Nonetheless, to avoid further controversy, we will address some of these matters at this point.

Board's Jurisdiction

The Trademark Trial and Appeal Board is an administrative tribunal, not a court of general jurisdiction. The Board's jurisdiction is strictly limited to one question only: the registrability of trademarks. We do not have the authority to investigate or resolve questions of infringement, damages, unfair competition or criminal matters, even if they relate to the trademarks which are subject to a Board proceeding. To the extent that

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respondent has concerns about anything other than the registrability of the trademarks at issue here, respondent should bring such matters to the attention of the appropriate authority; the Board has no authority to address such matters.

Counsel Recommended

Although the applicable rules permit parties to appear before the Board on their own behalf, most find that the counsel of a qualified practitioner is essential to the successful presentation of their case before the Board. Actions before the TTAB are governed by various laws and regulations, principally the Trademark Act, the Trademark Rules, the Federal Rules of Civil Procedure, the Federal Rules of Evidence, and the many Board and court decisions which have applied and interpreted these authorities.

The procedural and substantive matters which arise before us are sometimes difficult for a layman to understand, and all litigants - whether or not they choose to be represented by counsel - are expected to follow the same rules. Respondent should note that Board personnel are not permitted to provide advice on the prosecution of matters before us.

Service of Papers

The Board notes that respondent's February 5, 2006, paper does not bear a certificate of service.

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Every paper filed in ... inter partes cases ... must be served upon the other parties except the [original complaint]. Proof of such service must be made before the paper will be considered by the Office. A statement signed by the attorney or other authorized representative, attached to or appearing on the original paper when filed, clearly stating the date and manner in which service was made will be accepted as prima facie proof of service.

Trademark Rule 2.119(a); *see generally*, TBMP § 113, *et seq.* Further papers filed without a certificate of service will not be considered. While the Board has made an exception with regard to respondent's February 5 paper, we will henceforth strictly enforce our rules regarding the filing and service in this paper.

Form of Submissions

Respondent's February 5 paper does not comply with the requirements for the form of submissions to the Board. Among other things, submissions to the Board must be double-spaced and not bound. *See generally*, Trademark Rule 2.126 (form of submissions); 2.127 (motions).

Respondent should note that all papers may be submitted electronically via ESTTA, the Board's filing facility. <http://estta.uspto.gov>. Electronic filing is strongly encouraged because it saves time and permits the Board to act expeditiously on filings.

Mootness

Finally, respondent correctly notes that the subject registrations were cancelled for failure to file an

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affidavit under Trademark Act § 8. However, respondent's conclusion that this proceeding is therefore moot is incorrect:

After the commencement of a cancellation proceeding, if it comes to the attention of the Trademark Trial and Appeal Board that the respondent has permitted his involved registration to be cancelled under § 8 of the Act of 1946 or has failed to renew his involved registration ... an order may be issued allowing respondent until a set time ... in which to show cause why such cancellation or failure to renew should not be deemed to be the equivalent of a cancellation by request of respondent without the consent of the adverse party and should not result in entry of judgment against respondent.... In the absence of a showing of good and sufficient cause, judgment may be entered against respondent as provided by paragraph (a) of this section.

Trademark Rule 2.134(b).

"The purpose of 37 CFR § 2.134(b) is to prevent a cancellation proceeding respondent from being able to moot the proceeding and avoid judgment by deliberately failing to file a required affidavit of use under Section 8 or renewal application under Section 9." TBMP § 535 (2d ed. rev. 2004). As a general matter, once a proceeding is commenced, the petitioner is entitled to litigate its case to judgment, unless it consents in writing to dismissal of the petition without prejudice. See, Trademark Rule 2.134(a). Absent consent, the respondent should not be allowed to moot the case by its own inaction and then file a new application, forcing the petitioner to oppose or seek cancellation again.

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Therefore, when the respondent's registrations are cancelled under § 8, the first question is whether the cancellation should result in judgment against the registrant.

In those cases where the Board finds that respondent has not acted deliberately to avoid judgment and thereby has shown good and sufficient cause why judgment should not be entered against it under 37 CFR § 2.134(b), petitioner will be given time in which to elect whether it wishes to go forward with the cancellation proceeding, or to have the cancellation proceeding dismissed without prejudice as moot. In those cases where the Board enters judgment against the respondent only and specifically on the ground of abandonment, petitioner will be given time in which to elect whether it wishes to go forward to obtain a determination of the remaining issues, or to have the cancellation proceeding dismissed without prejudice as to those issues.

TBMP § 535.

Accordingly, respondent is allowed **THIRTY DAYS** in which to show cause why the cancellation of its registrations should not be deemed to be the equivalent of a cancellation by request of respondent without the consent of the adverse party, and should not result in entry of judgment against respondent as provided by Trademark Rule 2.134(a). In the absence of a showing of good and sufficient cause, judgment may be entered against respondent. See, Trademark Rule 2.134(b).

If, in response to this order, respondent submits a showing that its failure to file a Section 8 affidavit was the result of inadvertence or mistake, judgment will not be

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entered against it. In that case, petitioner will be given time in which to elect whether it wishes to go forward with the cancellation proceeding, or to have the cancellation proceeding dismissed without prejudice as moot. See, *C.H. Guenther & Son, Inc. v. Whitewing Ranch Co.*, 8 USPQ2d 1450 (TTAB 1988); See TMEP § 602.02(b).

Proceedings are otherwise SUSPENDED pending respondent's response to this order.

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