

THIS OPINION IS NOT A
PRECEDENT OF THE
T.T.A.B.

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

MBA

Mailed: November 29, 2011

Cancellation No. 92045849

Primepay, Inc.

v.

Primepoint, L.L.C.

**Before Seeherman, Ritchie and Wolfson, Administrative
Trademark Judges**

By the Board:

This case now comes up for consideration of respondent's motion, filed August 5, 2011, to resume this proceeding and enter judgment in respondent's favor based on the final decision in a federal case between the parties,¹ and petitioner's cross-motion for leave to amend its petition for cancellation, filed September 2, 2011. Respondent's motion for judgment is contested, but petitioner's cross-motion for leave to amend is not.

Background

Respondent owns a registration for the mark PRIMEPOINT & Design for "Financial services, namely banking and payroll

¹ Primepoint, L.L.C. v. Primepay, Inc., Case No. 1:06-cv-01551-RMB-JS, filed in the U.S. District Court for the District of New Jersey (the "Federal Case").

services" (the "Registration").² In its currently operative, first amended petition to cancel the Registration, filed June 2, 2006,³ petitioner alleges prior use of PRIMEPAY for "business and financial management services, including payroll services," PRIMELINK for "computer software for transmission of payroll and/or employee data" and PRIMETAX for "tax payment processing services and/or payroll tax debiting services," which, petitioner alleges, together constitute a "family of marks." As grounds for cancellation, petitioner alleges that use of respondent's mark is likely to cause confusion with petitioner's marks and that respondent committed fraud in procuring its involved Registration, because respondent "is not a bank" and "notwithstanding its knowledge that [its involved mark] had never been used in commerce in connection with banking services," respondent claimed use for banking services "in order to procure a registration for a mark that included 'banking services.'" Petitioner did not plead ownership of any registrations for any of the pleaded marks in this petition.

² Registration No. 2715127, issued May 13, 2003 from an application filed August 7, 2001.

³ Petitioner filed its original petition for cancellation on May 25, 2006. On June 2, 2006, petitioner filed its first amended pleading, and because no answer had been filed at that time, the pleading was amended as a matter of course. Fed. R. Civ. P. 15(a).

Prior to the deadline for filing its answer to the petition for cancellation, respondent filed a motion to suspend this case pending final resolution of the Federal Case, which the Board granted in its order of July 18, 2006. Respondent has yet to answer the first amended petition for cancellation.

In the Federal Case, respondent was the plaintiff, and therein sought a declaratory judgment that, *inter alia*, respondent's use of the mark in its involved Registration does not infringe, and "is not likely to cause confusion" with any of petitioner's marks, including PRIMEPAY. In its answer in the Federal Case, petitioner denied the salient allegations in respondent's complaint, and counterclaimed, alleging, *inter alia*, that respondent's use of PRIMEPOINT "is likely to cause confusion with" and infringe petitioner's alleged "family" of marks, including PRIMEPAY. Petitioner also filed a fraud counterclaim in the Federal Case, which is essentially similar to its fraud claim in this case. In support of its counterclaims, petitioner specifically relied upon its registration for the mark PRIMEPAY, in typed format, for "providing business and financial management services."⁴

⁴ Registration No. 2056092, issued April 22, 1997 from an application filed June 1, 1995.

The Court granted respondent's motion for summary judgment in the Federal Case in part, finding that petitioner failed to establish that it owns a "family" of marks and that respondent was entitled to judgment on petitioner's fraud counterclaim. Primepoint, L.L.C. v. Primepay, Inc., 545 F.Supp.2d 426, 434, 447 (D.N.J. 2008). With respect to petitioner's counterclaims for infringement, unfair competition and false designation of origin, which were "measured by identical standards" under Third Circuit law, the Court found that genuine disputes of material fact remained for trial. Id. at 445-446.

Then, following a bench trial, the Court issued its final order entering judgment in favor of respondent on all of its claims and against petitioner on its remaining counterclaims. Primepoint, L.L.C. v. Primepay, Inc., Civil No. 06-1551 (RMB), 2009 WL 1884369 (D.N.J. 2009), aff'd, 401 Fed.Appx. 663 (3rd Cir. 2010). In finding that the parties' marks were not likely to be confused, the Court first found that the similarity of the parties' marks "favors neither Plaintiff nor Defendant." Id. at * 7. With respect to the remaining likelihood of confusion factors:

Most of the [likelihood of confusion] factors weigh in favor of Plaintiff: the Primepay mark is weak; the relevant customer decision requires sophistication, heightened care, and attention; the Plaintiff lacked a purposeful or reckless intent when adopting the mark; and the only evidence

of actual confusion was isolated, momentary, and fleeting, further illustrated by the five years Plaintiff used its mark before any confusion arose. Although the ... overlap of the services provided, the customers targeted, and the methods used to reach customers - weigh in favor of Defendant, this is insufficient to find a likelihood of confusion ... taking the ten [likelihood of confusion] factors together, there is not a likelihood of customer confusion.

Id. at * 14.

The Parties' Contentions

Respondent argues that because petitioner's allegations in this case are "substantially identical" to its counterclaims in the Federal Case, judgment in respondent's favor is appropriate "as a result of the decision in the" Federal Case.

In response, petitioner seeks leave to further amend its petition for cancellation to rely not only on its use of PRIMEPAY, but also on its Registration No. 2056092 for the mark PRIMEPAY in typed format.⁵ According to petitioner, if leave to amend is granted, "the similarity of the marks assessment - that most important confusion factor - changes significantly because the comparison will be between the marks as registered, not between the marks as used in

⁵ Petitioner refers to the mark in this registration as a "standard character mark." Trademark Rule 2.52(a) was amended in 2003 to refer to "typed drawings" as "standard character" drawings. See Trademark Rule 2.52(a), 37 C.F.R. § 2.52(a).

commerce, which is how the District Court compared the marks ...” Petitioner further argues that its proposed second amended petition should not be claim or issue-precluded “because a claim for cancelation (sic) is not the same as the infringement claim considered by the District Court ...,” and if leave to amend is granted, “the marks at issue [would be] fundamentally different and the comparative analysis [would be] different ...” However, petitioner argues at the same time that “the Board should adopt the court’s finding that the similarity of the goods, channels of trade, and customers all favor a likelihood of confusion.”

Decision

Turning first to respondent’s motion to resume this proceeding because the Federal Case has concluded, the motion is well-taken and granted as conceded, because petitioner also seeks resumption. Trademark Rule 2.127(a).

Turning next to petitioner’s cross-motion for leave to amend, under Fed. R. Civ. P. 15(a)(2), leave to amend a pleading should be granted “freely ... when justice so requires.” However, where a proposed amendment would be “futile,” leave to amend should be denied. Leatherwood Scopes International Inc. v. Leatherwood, 63 USPQ2d 1699, 1702 (TTAB 2002); TBMP § 507.02 (3d ed. 2011). In this case, petitioner’s proposed amendment would be futile because the Court essentially entered judgment on the

proposed "new" claim in the Federal Case; and for the same reason, respondent is entitled to judgment in this case.

Indeed, petitioner specifically pleaded and relied upon its Registration No. 2056092, for the mark PRIMEPAY in typed format, in support of its counterclaims in the Federal Case. Petitioner's Answer and Counterclaim in the Federal Case ¶ 47; see also, Primepoint, L.L.C., 545 F.Supp.2d at 430 ("PrimePay has two separate trademark registrations of its 'PRIMEPAY' mark: 1) international trademark class 35 ..."). And the Court found, following a bench trial, "that there is not a likelihood of confusion between the marks of Plaintiff and Defendant." Primepoint L.L.C., 2009 WL 1884369 * 14. Petitioner's appeal of the Court's ruling was unsuccessful. Primepoint L.L.C., 401 Appx. 663. Having lost at the federal district and federal appellate court levels, petitioner cannot prevail here, on essentially the same claim that there is a likelihood of confusion between the mark in its Registration No. 2056092 and the mark in respondent's involved Registration.

Therefore, petitioner's motion for leave to amend is hereby **DENIED**, and respondent's motion for judgment based on the Federal Case is hereby **GRANTED**. The petition for cancellation is hereby **DISMISSED, WITH PREJUDICE**.
