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

Mailed: June 20, 2008

Cancellation No. 92046965

Gander Mountain Company

v.

ELM Development, LLC

Before, Seeherman, Bucher and Cataldo, Administrative
Trademark Judges.

By the Board:

This case now comes up on petitioner's motion, filed
January 18, 2008, to amend the petition to cancel to add
"two additional bases" for cancellation. The motion is
fully briefed.

Under Fed.R.Civ.P. 15(a), leave to amend pleadings
shall be freely given when justice so requires. Consistent
therewith, the Board liberally grants leave to amend
pleadings at any stage of the proceeding when justice
requires, unless entry of the proposed amendment would
violate settled law or be prejudicial to the rights of the
adverse party or parties. *See Commodore Electronics Ltd. v.*
CBM Kabushiki Kaisha, 26 USPQ2d 1503 (TTAB 1993). In
deciding petitioner's motion for leave to amend, the Board
must consider whether there is any undue prejudice to

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respondent and whether the amendment is legally sufficient. *See Cool-Ray, Inc. v. Eye Care, Inc.*, 183 USPQ 618 (TTAB 1974).

Turning first to the question of whether respondent will suffer prejudice from allowance of such amendment, we find that the addition of these claims will not significantly delay the case as discovery was open at the time of petitioner's filing of its motion to amend, and as petitioner points out, the parties have already agreed to extend discovery by sixty days. With regard to respondent's assertion that the allowance of these claims will burden respondent both economically and from an evidentiary standpoint, we find that the inclusion of these claims will not require respondent to expend significant additional resources to conduct discovery or prepare for trial inasmuch as the facts regarding these claims are already known to respondent. We also note that petitioner states that it will not require any further discovery on these claims. Respondent also argues that the addition of these claims will significantly expand the scope of the proceeding. However, we note that respondent was on notice of petitioner's "failure to function as a mark" claim as it was already present in the original petition to cancel and petitioner's amended pleading merely seeks to add an additional factual basis for such a claim. While the fraud

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claim was not in the original pleading, we note that the facts that constitute the fraud claim were already known or available to respondent and, therefore, we find the addition of such a claim does not constitute an impermissible burden on respondent. See *Thomas v. American Cystoscope Makers, Inc.*, 414 F.Supp. 255, 267 (E.D. Pa. 1976). (Where the facts on a previously unalleged claim are known or available to all parties there is no prejudice in allowing the additional claim). Accordingly, we find that the allowance of the amendment will not unduly prejudice respondent.

We now turn to consideration of the sufficiency of the proposed claims in the amended pleading. Preliminarily, we note that respondent argues at length the merits of these proposed additional claims. However, on a motion for leave to amend, the Board need not determine the merits of the proposed claim, but merely satisfy itself that plaintiff has alleged sufficient facts to state a claim upon which, if proved, relief can be granted. *Polaris Industries Inc. v. DC Comics*, 59 USPQ2d 1798, 1799 n.4 (TTAB 2000).

Failure to Function as a Mark

Respondent argues that this claim is insufficient due to petitioner's citation to the incorrect statutory authority.

Upon review of this claim in paragraphs 13 through 15 of the amended petition to cancel, we agree with respondent

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that the allegation in paragraph 13 references the wrong statutory provision and requires clarification. We also find that paragraph 14 is unclear in that it could be read either as an assertion that the specimens submitted by respondent as part of its application were insufficient or that the specimens are an example of respondent's failure to use its mark as a service mark. Inasmuch as an ex parte examination issue is not a ground for cancellation, we find that the allegation in paragraph 14 needs to be clarified. We do find proposed paragraph 15 of the amended complaint sufficient.

Fraud

With regard to this claim, respondent argues that these "bare allegations" in the amended petition to cancel lack particularity as the "proposed amendment fails to show what material representations of fact were made to the USPTO, what was false and what Registrant knew was false." Petitioner, on the other hand, argues that the allegations are sufficient.

We agree with respondent that the allegations in paragraphs 16 through 21 of the amended petition to cancel lack the requisite particularity required for a claim of fraud under Fed.R.Civ.P. 9(b). It appears from petitioner's statements in its moving papers that the fraud claim is based on respondent's president's admission that it has

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never produced video production or distribution services for others, and that this statement contradicts statements made to the USPTO that respondent was using the mark in connection with video production and distribution services as early as September 2002. However, inasmuch as petitioner has not alleged this information as part of its fraud claim in the amended pleading, we find that the claim lacks the particularity required under Fed.R.Civ.P. 9(b).

Accordingly, we find the proposed fraud claim insufficiently pleaded and that the proposed failure to function as a mark claim requires clarification. Nevertheless, inasmuch as Fed.R.Civ.P. 15(a) provides that leave to amend "shall be freely given when justice so requires" and because we find no prejudice to respondent in allowing such amendment, we allow petitioner until TWENTY DAYS from the mailing date of this order to replead these claims and file an amended pleading. Respondent is allowed until FORTY DAYS from the mailing date of this order to file its answer thereto.

Proceedings are resumed.

Discovery and trial dates are reset as follows:

DISCOVERY PERIOD TO CLOSE: August 19, 2008

30-day testimony period for party in position of plaintiff to close: **November 17, 2008**

30-day testimony period for party in position of defendant to close: **January 16, 2009**

15-day rebuttal testimony period for party in position of plaintiff to close: **March 2, 2009**

In each instance, a copy of the transcript of 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.

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

The USPTO published a notice of final rulemaking in the Federal Register on August 1, 2007, at 72 F.R. 42242. By this notice, various rules governing Trademark Trial and Appeal Board inter partes proceedings are amended. Certain amendments have an effective date of August 31, 2007, while most have an effective date of November 1, 2007. For further information, the parties are referred to a reprint of the final rule and a chart summarizing the affected rules, their changes, and effective dates, both viewable on the USPTO website via these web addresses:

<http://www.uspto.gov/web/offices/com/sol/notices/72fr42242.pdf>

http://www.uspto.gov/web/offices/com/sol/notices/72fr42242_FinalRuleChart.pdf

By one rule change effective August 31, 2007, the Board's standard protective order is made applicable to all TTAB inter partes cases, whether already pending or commenced on or after that date. However, as explained in the final rule and chart, this change will not affect any case in which any protective order has already been approved or imposed by the

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Board. Further, as explained in the final rule, parties are free to agree to a substitute protective order or to supplement or amend the standard order even after August 31, 2007, subject to Board approval. The standard protective order can be viewed using the following web address:

<http://www.uspto.gov/web/offices/dcom/ttab/tbmp/stndagmnt.htm>