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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92046965
Party	Plaintiff Gander Mountain Company
Correspondence Address	Paul Mussell Dorsey & Whitney LLP Suite 1500, 50 South Sixth Street Minneapolis, MN 55402-1498 UNITED STATES ueland.kevin@dorsey.com
Submission	Other Motions/Papers
Filer's Name	Kevin S. Ueland
Filer's e-mail	ueland.kevin@dorsey.com, bianchi.rossi.deanna@dorsey.com
Signature	/Kevin S. Ueland/
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Gander Mountain Company,)	
)	
Petitioner,)	Cancellation No.: 92046965
v.)	Reg. No.: 3,086,200
)	Mark: THE GANDERGUNMEN
ELM Development, LLC,)	
)	
Registrant.)	

**PETITIONER’S REPLY MEMORANDUM IN SUPPORT
OF ITS MOTION FOR SUMMARY JUDGMENT**

INTRODUCTION

Registrant bases its opposition on two claims: that GanderGunman Production Company LLC (“GGPC”) is a related company, and that GGPC is using the mark THE GANDERGUNMEN as a service mark. But these arguments cannot save Registrant from summary judgment. Although this case has been pending since January 2007, only now does Registrant claim that GGPC is a related company. Registrant’s recent contentions regarding GGPC cannot be considered anything other than eleventh-hour desperation.

These two theories are nothing but a last ditch attempt to manufacture genuine issues of material fact. This is evident when considered in light of the previous binding deposition testimony of Eric L. Marhoun, Registrant’s President. Registrant now claims that GGPC is a related company, but cites no credible evidence to support this point. Indeed, at his deposition Mr. Marhoun made clear that Registrant does not exercise the requisite control over GGPC’s alleged use of THE GANDERGUNMEN for GGPC to be a related company. Thus, any claim that GGPC is related to Registrant fails as a matter of law. Furthermore, although Registrant now states that GGPC has been providing services under the mark by “. . . filming, editing, and producing waterfowl hunting videos/shows for customers,” this is inconsistent with Mr. Marhoun’s earlier testimony where he

repeatedly denied knowing whether GGPC (or its President, Pierce Smith) was providing these very same services. Registrant's new reliance on GGPC should be rejected.

Finally, even if GGPC could properly be considered a "related" company, and its actions were relevant to whether THE GANDERGUNMEN was being used as a service mark, the Board should still grant summary judgment on Petitioner's fraud claim. During the prosecution of the mark at issue, Registrant filed an original statement of use on June 20, 2005, and a substitute statement of use on February 12, 2006. In both of these filings, Registrant claimed that it was currently providing the listed services in connection with the mark. Registrant has set forth no evidence that shows that either it or GGPC was providing the claimed services in connection with the alleged service mark in June 2005 and February 2006, when Registrant's false statements to the United States Patent and Trademark Office ("USPTO") were made. The Board should grant Petitioner's motion for summary judgment and cancel Registrant's mark.

ARGUMENT

I. GANDERGUNMAN PRODUCTION COMPANY LLC IS NOT A RELATED COMPANY UNDER THE LANHAM ACT.

Registrant's opposition brief repeatedly characterizes the relationship between Registrant and GGPC as a "joint venture," and tries to show that Registrant's President, Mr. Marhoun, was working hand-in-glove with GGPC's President, Mr. Smith. But Mr. Marhoun's testimony is inconsistent with Registrant's new theory. Mr. Marhoun testified that he did not control how GGPC used the mark THE GANDERGUNMEN. This dooms Registrant's theory that the two companies are "related" for trademark purposes. The inconsistencies between Registrant's new theory and Mr. Marhoun's deposition testimony do not end there. Although Registrant now seeks to rely on GGPC and MR. Smith's activities as evidence of service mark use, at his deposition Mr. Marhoun disavowed any knowledge regarding GGPC's activities or the activities of Pierce Smith. Fortunately, at this stage, the Board need not sort out which version of Registrant's competing stories is the truth. Registrant

cannot create a genuine issue of material fact by trying to revise deposition testimony through affidavit. *See e.g., Magnum Towing & Recovery v. City of Toledo*, 2008 WL 2744631, *4 (6th Cir. July 15, 2008) (“[A] party cannot create a genuine issue of material fact by filing an affidavit, after a motion for summary judgment has been made that essentially contradicts . . . earlier deposition testimony.”). The Board should reject Registrant’s new theory, and grant summary judgment on the basis of non-use.

A. Registrant’s claim that GGPC is a “related company” fails as a matter of law.

Under the Lanham Act, the use of mark by a related company inures to the benefit of the registrant. *See* 15 U.S.C. § 1055. A company is related for trademark purposes if its “. . . use of the mark is controlled by the owner of the mark with respect to the nature and quality of the . . . services on or in connection with which the mark is used.” *See* 15 U.S.C. § 1127. Registrant argues that the evidence shows that it controlled the nature of use and quality of services provided by GGPC. In support of this argument, Registrant makes the following statements:

- Marhoun was the financier of the joint venture for the two partners (Opp. Br. at 17);
- Marhoun was actively involved in the service offering to Jeff Traxler in 2002 (*Id.*);
- Marhoun was actively involved in the production and distribution of all GANDERGUNMEN promotional DVDs (*Id.*);
- Marhoun actively reviewed Smith/GanderGunman Production’s use of the mark and monitored Smith’s work (*Id.*).

But Registrant’s conclusory assertions about what the evidence shows do not raise *genuine* issues of material fact. *See e.g. Pure Gold, Inc. v. Syntex (U.S.A.), Inc.*, 739 F.2d 624, 627 (Fed. Cir. 1984) (“Mere conclusory assertions do not raise a *genuine* issue of fact.”) (emphasis in original). Each of the above statements fail to hold up under even cursory scrutiny.

The above statements are either irrelevant or unsupported. Whether Registrant is the financier of the alleged joint venture is wholly irrelevant to whether Registrant controls the use and

quality of the services allegedly performed by GGPC under the mark. Indeed, Registrant fails to connect this assertion with any contention that Registrant has any input or control over GGPC's alleged use of the mark. Petitioner has already addressed Registrant's specious contention that Mr. Marhoun was "actively involved" in the editing of video footage for Jeff Traxler.¹ *See* Pet. Mem. in Support of Motion for Summary Judgment at 7-8. Other than Mr. Marhoun's say so, there is no evidence to suggest that Registrant or Mr. Marhoun had any role in this transaction other than the mere introduction of Mr. Smith to Mr. Traxler.

Registrant's statement that Mr. Marhoun "was actively involved in the production and distribution of THE GANDERGUNMEN promotional DVDs," is a complete mischaracterization of the purpose of the DVDs. Registrant now argues that the "Prelude to Hard Gravity" DVDs and other beta version DVDs were somehow meant to promote the offering of services. But nothing in the exhibits cited by Registrant in support of this contention, or – most importantly – the content of the DVDs themselves – supports this argument. In fact, all of the evidence regarding distribution of the "Prelude to Hard Gravity" DVDs indicates that such distribution was to promote the "Hard Gravity" DVDs, which Registrant then sold for profit. For example, in Ex. B to the Declaration of Pierce Smith, Mr. Smith responds to feedback he receives from members of the online forum waterfowler.com, to whom he sent "beta" copies of the video. In one post, Mr. Smith writes, "[t]his video WILL be going to market. . . . Reinforces why I sent it to your (sic) guys-you all have helped me consider tweaks that will ultimately make this DVD even more successful." *See* Ex. B to Decl. of

¹ Registrant's claim regarding its own provision of services (the Traxler incident) and alleged advertising of services (Opp. Br. at 13-14) have been addressed in Petitioner's Opening Brief and warrant only passing mention here. The Traxler incident is the only service Registrant has even arguably provided under the mark, and is insufficient by itself to constitute use. As to the advertising, Mr. Marhoun testified that the advertising that Registrant was involved in was strictly for the "Hard Gravity" DVDs – not for video production and distribution services. *See* Ex. A, at 86:3-18.

P. Smith at GG 000062. This exhibit is consistent with Mr. Marhoun's testimony on the distribution of DVDs:

. . . [O]n nearly all of these trips we distributed VHS or video of Hard Gravity, The GanderGunmen's Hard Gravity. . . . It was part of the way we just word of mouth reached out . . . and we would have VHS or at this point DVDs both to distribute and we also would view them, get the input of the patrons, *let them know we were coming out with videos*, tell them what our website was going to be et cetera.

Ex. A,² at 169:20-170:10. What's more, the fact that Mr. Marhoun helped distribute promotional DVDs says nothing about whether Mr. Marhoun exercised control over GGPC's activities under the mark. Finally, the last statement – that Mr. Marhoun reviewed GGPC and Mr. Smith's use of the mark is wholly conclusory. Furthermore, it is directly contradicted by Mr. Marhoun's earlier testimony that Mr. Smith was free to use the mark as he saw fit, and was not required to consult with Mr. Marhoun as to how he used the mark. *See* Ex. A, at 57:1-11.

At bottom, Registrant fails to adduce any evidence that it has any control over the activities of GGPC or Mr. Smith, or how they use the alleged service mark. Without such a showing, any claim that GGPC is a related company fails as a matter of law.

B. Registrant's reliance on GGPC as a "related company" is inconsistent with Mr. Marhoun's earlier testimony.

Apart from failing to show that Registrant controls GGPC's activities using the alleged mark, Registrant's theory conflicts with the record. Relying on GGPC's purported provision of services, Registrant declares that “. . . THE GANDERGUNMEN service mark has been actively used in rendering entertainment services including filming, editing, and producing waterfowl hunting videos/shows for customers since 2002.” *Opp. Br.* at 8. But this is in stark contrast to Mr. Marhoun's testimony from just 10 months ago where he repeatedly denied knowing whether GGPC and Mr. Smith were providing these very services:

² Exhibit A is attached to the Declaration of Kevin S. Ueland, dated November 3, 2008.

- Q: So has GanderGunman Production Company LLC, have they engaged in the filming of hunts . . . for waterfowl companies and qualified individuals?

(objection omitted)

A: I do not know if GanderGunman Production Company LLC has and I don't know if Pierce Bryon Smith has.

Ex. A, E. Marhoun Dep. Tr. at 55:11-17.

- Q: Do you know if GanderGunman Production Company LLC has provided video production services in the way of consulting and support for outdoor hunt video projects?

(objection omitted)

A: . . . And again the answer is I don't know.

Q: Okay. And the same question as it applies to Pierce Smith, do you know whether he's provided consulting and support for outdoor hunt video projects?

A: I do not know. *Id.* at 58:19-59:11.

- Q: Has GanderGunman Production Company LLC provided editing and mixing services?

(objection omitted)

A: I do not know.

Q: Do you know whether Pierce Smith has provided editing and mixing services?

A: . . . I do not know. *Id.* at 59:12-21.

- Q: Do you know one way or another whether GanderGunman Production Company LLC has provided the service of filming hunts...for waterfowl companies and qualified individuals using the mark The Gandergunman.

A: I do not know one way or the other. *Id.* at 60:12-18.

It is difficult to square Registrant's assertion that it is related to GGPC with Mr. Marhoun's testimony that he did not know one way or another what services GGPC provided. These inconsistencies are just too numerous and too compelling for this Board to conclude that Registrant's new theory is anything other than an attempt to manufacture a genuine issue of material fact. The

Board should reject this eleventh-hour shift in strategy, and grant summary judgment on the basis of non-use.

II. THE ALLEGED ACTIONS OF GANDERGUNMAN PRODUCTION COMPANY DO NOT CHANGE THE FACT THAT REGISTRANT MADE FRAUDULENT STATEMENTS TO THE USPTO.

Even if the Board was inclined to accept Registrant's new theory regarding its relationship with GGPC, it should still grant summary judgment on Petitioner's fraud claim. It is undisputed that Registrant made two representations to the USPTO where it claimed that it was *currently* using the mark in connection with the listed services. On June 20, 2005, Registrant claimed that it was currently using the mark in connection with the provision of production and distribution services related to a hunting show. *See* Registrant's original statement of use. On February 12, 2006, Registrant again claimed that it was currently using the mark in connection with the provision of production and distribution services related to a hunting show. *See* Registrant's substitute statement of use. Although Registrant contends that the claimed services have been continuously advertised and provided under the alleged mark since 2002, the evidence to support this conclusory statement is non-existent.

A. There is no evidence that either Registrant or GGPC was advertising the listed services in connection with the alleged mark as of June 20, 2005 or February 12, 2006.

The record shows that on June 20, 2005, and February 12, 2006, Registrant falsely stated to the USPTO it was currently using the mark in connection with the claimed services. Registrant fails to point to any credible evidence that shows it (or GGPC) was using the mark in connection with the services on these dates. The evidence cited by Registrant is either unrelated to the provision of services or begins after February 2006.

Registrant points to Mr. Marhoun's testimony that he advertised through letters and word of mouth, *see* Opp. Br. at 14, but Mr. Marhoun's testimony is clear that what he is advertising is a good – the Hard Gravity DVD – not services. *See* Ex. A, at 86:3-18. Registrant also points to business

meetings that Mr. Marhoun attended to advertise the services. But again, a review of the cited testimony shows that what was advertised at these meetings and shows was the Hard Gravity DVD – not video production and distribution services. *See id.* at 168:2-170:10. Similarly, Registrant’s claim regarding Mr. Marhoun’s attendance relates to advertisement of the Hard Gravity DVD – again goods, rather than services. *See Ex. A*, at 84:16-86:19.

Registrant’s reliance on the distribution and sale of the “Prelude to Hard Gravity” and “Hard Gravity” DVDs as advertising is similarly misplaced. To the extent that Prelude to Hard Gravity was, as Registrant claims, a “promotional piece,” it was designed to promote the later release of Hard Gravity Vol. I. *See Ex. A*, at 180:2-181:7. Nowhere in Mr. Marhoun’s testimony is there any indication that Registrant intended for “Prelude to Hard Gravity” to advertise video production and distribution services. *See also supra* at 4-5. As for the Hard Gravity Vol. I DVD – Registrant makes much of the fact that the video contains a screen shot that indicates that THE GANDERGUNMEN is the source of the labor that created the video. But this does not translate the video product into an advertisement for services. It is clear that any video production or distribution services rendered in connection with the sale of a DVD are ancillary to the sale of the DVD itself, and do not constitute services. *In re Landmark Communications, Inc.*, 204 U.S.P.Q. 692, 696 (T.T.A.B. 1979) (finding that a consumer who purchased a newspaper did not purchase a collection of publication services). It similarly stands to reason that a consumer purchasing a DVD would understand the production credit in the video to relate to the DVD itself, and not view it as an advertisement for the provision of actual video production and distribution services. Indeed Mr. Marhoun admitted that consumers who purchase the DVD do not directly purchase services from Registrant. *See Ex. A* at 94:9-95:5.

Similarly inapposite is Registrant’s citation to events and actions that take place after February 12, 2006. For example, the alleged advertisement of the services through the website www.gandergunmen.com is irrelevant as Registrant admits any advertisement of services at the website began in 2007. Registrant’s claim regarding Mr. Smith’s alleged trip to a trade show also

misses the mark. Mr. Smith's alleged trip to a trade show took place in 2007 (*See* Decl. of P. Smith at ¶ 7), and is therefore not relevant to the advertisement or provision of services in June 2005 or February 2006.

Finally, Registrant also tries to rely upon videos that Mr. Smith has allegedly produced for various companies as evidence of service mark use. But these videos, even if they do constitute the rendition of services, were produced after February 2006, and are therefore not relevant to the question of whether Registrant was currently providing services as of that date. Simply put, there is no evidence that Registrant was currently advertising or providing the listed services in connection with the mark on June 20, 2005 or February 12, 2006. Therefore, the statements to the USPTO that such services were being provided were false when made.

B. Mr. Marhoun's state of mind or lack of intent to deceive is irrelevant.

Registrant insists on ignoring the Board's repeated warnings that false statements will not be tolerated – regardless of lack of deceptive intent, or other excuses.³ But good-faith is not the standard. “A trademark applicant commits fraud in procuring a registration when it makes material representations of fact in its declaration which it knows or should have known to be false or misleading.” *See Medinol Ltd. v. Neuro Vasx, Inc.*, 67 U.S.P.Q.2d 1205, 1209 (T.T.A.B. 2003). Registrant's argument that Mr. Marhoun did not intend to deceive the USPTO should be rejected.

The Board has rejected the argument that an honest and good-faith belief insulates otherwise false statements made to the USPTO. *See Hurley Int'l LLC v. Volta*, 82 U.S.P.Q.2d 1339, 1345 (T.T.A.B. 2007) (rejecting applicant's “honest” belief that statements made to the USPTO were true). As the Board stated in *Hurley*, a person making a trademark filing is “under an obligation to investigate thoroughly the validity of such belief before signing their application under certain penalties. *Id.* Like the applicant in *Hurley*, Registrant was “clearly capable of availing itself of the

³ Registrant's argument that the statements are not false because services were actually rendered is addressed above. Registrant apparently concedes that the statements are material.

relevant information available on the USPTO website regarding the various filing bases and their specific requirements.” *Id.* Indeed, Registrant is in a better position to understand the filing requirements than the applicant in *Hurley*. In *Hurley*, the applicant who signed the filings with the USPTO was a resident of Australia and claimed ignorance of U.S. trademark laws. *Id.* at 1342. Here, although Registrant claims that its President, Mr. Marhoun (a U.S. resident), only had a “lay person’s understanding of trademark law,” *see* Opp. Br. at 21, is an accomplished attorney, and is therefore certainly more capable of educating himself on the basic filing requirements than the applicant in *Hurley*. As the Board stated in *Hurley*, “[n]either the identification of goods or the statement of use itself was lengthy, highly technical, or otherwise confusing and [applicant] was clearly in a position to know (or to inquire) as to the truth of the statements therein.” *Hurley*, 82 U.S.P.Q.2d at 1345. Mr. Marhoun was in a position to know, or to inquire as to the truth of the statements before he signed the documents. Mr. Marhoun’s failure to do so constitutes fraud.

CONCLUSION

For all the reasons stated herein, and in Petitioner’s Memorandum in Support of its Motion for Summary Judgment, Petitioner respectfully requests summary judgment be granted, and Registrant’s mark be cancelled.

Respectfully submitted,

GANDER MOUNTAIN COMPANY

Date: November 3, 2008

By: /Kevin S. Ueland/
Elizabeth C. Buckingham, Esq.
Kevin S. Ueland, Esq.
DORSEY & WHITNEY LLP
Suite 1500
50 South Sixth Street
Minneapolis, Minnesota 55402-1498
Tel: (612) 340-2600
Fax: (612) 340-8856

ATTORNEYS FOR PETITIONER

CERTIFICATE OF SERVICE

I hereby certify that the foregoing document has been served via first-class mail, postage prepaid, to Christopher J. Schulte and Heather J. Kliebenstein of Merchant & Gould P.C., 3200 IDS Center, 80 South Eighth Street, Minneapolis, Minnesota 55402 this 3rd day of November, 2008.

/Kevin S. Ueland/

Kevin S. Ueland