

Wolfson

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

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

Mailed: January 9, 2009

Cancellation No. **92047008**

American Rice, Inc.

v.

Dunmore Properties S.A.

Before Quinn, Holtzman and Walsh,
Administrative Trademark Judges.

By the Board:

This case now comes before the Board for consideration of respondent's motion for summary judgment. The motion is fully briefed.¹

A motion for summary judgment is a pretrial device, intended to save the time and expense of a full trial when a party is able to demonstrate, prior to trial, that there is no genuine issue of material fact, and that it is entitled to judgment as a matter of law. See Fed. R. Civ. P. 56(c); TBMP § 528.01 (2d ed. rev. 2004); *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986); and *Opryland USA Inc. v. Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir.

¹ Respondent initially moved to dismiss this action under Fed. R. Civ. P. 12(b)(6) on March 12, 2007. The Board noted respondent's reliance on materials outside the pleadings and informed the parties that the motion would be treated as a motion for summary judgment. Each party was provided the opportunity for supplemental briefing, which has now been completed.

Cancellation No. 92047008

1992). The Board may not resolve issues of material fact, but can only ascertain whether genuine disputes exist regarding such issues. The Board views the evidence in a light most favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor.

Lloyd's Food Products Inc. v. Eli's Inc., 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993); *Opryland USA*, *supra*.

In the case at hand, respondent contends that the doctrine of res judicata bars petitioner from bringing an action to cancel respondent's registration,² because in 2003, petitioner filed a petition to cancel the registration and the Board dismissed the petition with prejudice.³

The starting place for any analysis of res judicata is for the Board to determine whether the party raising the issue is asserting "claim preclusion" or "issue preclusion." See *Chromalloy American Corporation v. Kenneth Gordon (New Orleans, Ltd.)*, 736 F.2d 694, 222 USPQ 187 (Fed. Cir. 1984). Here, the species of res judicata involved is claim preclusion, rather than issue preclusion, inasmuch as no issues were actually litigated in the prior opposition proceeding, which was dismissed with prejudice following petitioner's voluntary withdrawal of the petition after

² Registration No. 2532912 for the mark BINT ALARAB for "rice;" issued January 22, 2002; Section 8 (6 year) declaration accepted.

³ Cancellation No. 92041652; dismissed with prejudice on May 28, 2004.

Cancellation No. 92047008

answer and without respondent's written consent. See *Mother's Restaurant Incorporated v. Mama's Pizza Inc.*, 723 F.2d 1566, 221 USPQ 294 (Fed. Cir. 1983); *Chromalloy American, supra*, 726 USPQ at 189; and *Institut National Des Appellations d'Origine v. Brown-Forman Corp.*, 47 USPQ2d 1875 (TTAB 1998).

Under the doctrine of claim preclusion, "a judgment on the merits in a prior suit bars a second suit involving the same parties or their privies based on the same cause of action." *Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854 (Fed. Cir. 2000), quoting *The Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n. 5 (1979). Thus, claim preclusion will bar a party in a second suit if: (1) there is identity of parties (or their privies); (2) there has been an earlier final judgment on the merits of a claim; and (3) the second claim is based on the same set of transactional facts as the first. *Jet*, 55 USPQ at 1856; see also *Lawlor v. National Screen Service Corp.*, 349 U.S. 322 (1955); and *Flowers Industries, Inc. v. Interstate Brands Corp.*, 5 USPQ2d 1580 (TTAB 1987).

Over the years, the doctrine has come to incorporate common law concepts of merger and bar, extending to those claims or defenses that could have been raised, even if they were not, in the prior action. See *Perma Ceram Enterprises Inc. v. Preco Industries Ltd.*, 23 USPQ2d 1134, 1138 (TTAB 1992); see also *Jet*, 55 USPQ2d at 1856 ("Claim preclusion

Cancellation No. 92047008

refers to the effect of a judgment in foreclosing litigation of a matter that never has been litigated, because of a determination that it should have been advanced in an earlier suit.”)

In the case at hand, there is no dispute that the parties are identical in both actions, and that the prior cancellation resulted in a final judgment on the merits. Thus, two of the three prongs upon which claim preclusion may be found have been satisfied. The third prong requires that the claims be based on the same set of transactional facts, including claims that should have been, but were not, advanced in the earlier action. For the reasons discussed below, we find that petitioner is foreclosed from bringing by this action both the likelihood of confusion and dilution claims, as well as the fraud claim against respondent’s registration.

The petition that was filed in 2003 alleged priority and likelihood of confusion under Section 2(d) of the Trademark Act, based on petitioner’s claim of ownership of the mark ABU BINT for rice,⁴ and dilution of petitioner’s allegedly famous mark ABU BINT. The petition filed herein (specifically, on the five-year anniversary date of the registration) presents virtually identical allegations of

⁴ Registration No. 1195316 for the mark ABU BINT for “rice;” issued May 11, 1982; renewed (10 year) on October 31, 2001.

Cancellation No. 92047008

priority and likelihood of confusion and dilution. Now, as then, petitioner alleges that it has priority based on use and ownership of a registration for the mark ABU BINT for "rice" and that respondent's mark BINT ALARAB so resembles petitioner's mark as to be likely to cause confusion and lead to deception among customers. Petitioner further alleges, now as then, that its mark is famous and became famous prior to the date respondent first started using its mark, and that respondent's use of its mark causes dilution of the distinctive quality of petitioner's mark. While petitioner argues that there "may be" changed circumstances since the filing of the first petition and thus, its claims of likelihood of confusion or dilution "could be" based on a different set of transactional facts in this action, petitioner has not alleged that any changed circumstances have occurred, and petitioner has not stated any different facts in the present petition. To the contrary, petitioner has reasserted the identical set of facts that formed the basis of its claims under Sections 2(d) and 43(c) in 2003. Moreover, petitioner has not presented any evidence that even suggests changed circumstances. The claims of likelihood of confusion and dilution are barred in this action.

Cancellation No. 92047008

Moreover, petitioner's newly added⁵ fraud claim is also barred under the doctrine of claim preclusion.

Specifically, petitioner alleges that respondent falsely executed the declaration in the application for the BINT ALARAB mark by claiming it had the exclusive right to use the mark despite its knowledge of petitioner's prior rights, and that respondent falsely stated in the statement of use for its application that the mark was used in commerce between the U.S. and the Kingdom of Saudi Arabia on September 14, 2000.

There is nothing in the record to suggest that petitioner was not fully aware of the set of facts supporting petitioner's allegations of fraud at the time it filed the 2003 action. To the contrary, petitioner alleged in both actions that respondent was aware of petitioner's use of the mark ABU BINT since 1983; that a federal court has held the mark BINT AL-ARAB, owned by an alleged privy of respondent, to be confusingly similar to petitioner's ABU BINT mark and that the registration for the BINT AL-ARAB mark was cancelled as a result of the lawsuit. These facts form the basis of petitioner's allegation that respondent committed fraud in the execution of the declaration. These

⁵ The petition as originally filed in this case (on January 22, 2007) did not plead fraud. The Board granted petitioner's motion for leave to amend its pleading to assert fraud and the amended pleading was filed on June 19, 2007.

Cancellation No. 92047008

same facts were alleged in the 2003 petition to cancel. Although fraud was not pleaded at that time, no new facts have been stated in this action that were not presented earlier. Petitioner is therefore precluded from claiming fraud in the execution of the declaration supporting respondent's application for the mark BINT ALARAB. Petitioner could have raised this claim in the prior action.

Petitioner's second count of fraud, pertaining to respondent's allegedly false statement of the first date of use in commerce of its mark, is barred as well. This claim also could have been raised in the prior action, as it is based on facts that occurred in 2001, when respondent filed the allegedly false statement of use. Petitioner has not presented any new facts or facts occurring subsequent to the filing of the statement of use on May 25, 2001, that would give rise to a claim of fraud in the execution of the document. Thus, petitioner's claim was extinguished in the judgment entered in the 2003 action.⁶

In sum, petitioner is barred by the doctrine of claim preclusion from bringing this action to cancel respondent's

⁶ In any event, this claim would fail on the merits. It is well established that errors in the date of first use in commerce of marks do not constitute fraud so long as use of the mark precedes the filing date of the application that matures to a registration, or, as in this case, so long as use of the mark precedes the filing date of the statement of use. See *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917, 1926 (TTAB 2006); *Colt Industries Operating Corp. v. Olivetti Controllo Numerico S.p.A.*, 221 USPQ 73, 76 (TTAB 1983).

Cancellation No. 92047008

registration for the mark BINT AL-ARAB on the grounds of priority and likelihood of confusion, dilution, and fraud. Accordingly, there are no genuine issues of material fact in dispute and entry of judgment as a matter of law is appropriate. Respondent's motion for summary judgment is granted and the petition to cancel is denied.