

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

Lykos

Mailed: March 17, 2008

Cancellation No. 92047135

Alloutof, Inc.

v.

GGW Marketing, LLC

Before Bucher, Kuhlke and Bergsman, Administrative Trademark Judges.

By the Board:

This case now comes before the Board for consideration of respondent's combined motion to (1) dismiss the cancellation proceeding herein for petitioner's purported lack of standing and (2) "invalidate" petitioner's pleaded pending applications. The motion is fully briefed.

First, the Board considers petitioner's motion to dismiss. Preliminarily, we note that inasmuch as we have considered materials outside of the pleadings submitted by the parties in this decision, we shall treat respondent's motion to dismiss as one for summary judgment under Fed. R. Civ. P. 56. *See, for example Institut National Des Appellations d'Origine v. Brown-Forman Corp.*, 47 USPQ2d

1875, 1876 n.1 (TTAB 1998) (both parties submitted evidentiary materials outside the pleadings).

Respondent has moved for summary judgment on the grounds that insofar as petitioner's corporate status was suspended under California law at the time of filing its petition to cancel on February 20, 2007, petitioner is barred from bringing the present cancellation proceeding.

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(c). A party moving for summary judgment has the burden of demonstrating the absence of any genuine issue of material fact, and that it is entitled to summary judgment as a matter of law. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S.Ct. 2548 (1986).

Our primary reviewing Court has held that the temporary dissolution of a plaintiff corporation does not prevent it from prosecuting a Board proceeding once it is revived in accordance with the laws of the state in which it is organized, and the laws of that state allow a corporation to maintain a legal action upon revival. See *Stock Pot Restaurant, Inc. v. Stockpot, Inc.*, 737 F.2d 1576, 222 USPQ2d 665 (Fed. Cir. 1984). In addition, the Board has held that a corporation which has been suspended for failure

to pay taxes and file returns may, upon revival, proceed with the prosecution or defense of a Board proceeding. See *WMA Group, Inc. v. Western International Media*, 29 USPQ2d 1478 (TTAB 1993).

Petitioner purports to be a corporation organized under the laws of California. Under California law, the "corporate powers, rights, and privileges of a domestic taxpayer may be suspended if any tax, penalty or interest . . . upon notice and demand from the Franchise Tax Board, is not paid" as provided in the statute. Cal. Rev. and Tax. C. § 23301. A corporation suspended for failure to pay taxes is prohibited from participating in any litigation activities. *Palm Valley Homeowners Association v. Design MTC*, 85 Cal.App.4th 553, 558, 560 (4th Dist. 2001).

However, under California state law, the revival of a suspended corporation's powers validates any procedural step taken on its behalf while it was suspended. *Amesco Exports v. Associated Aircraft Mfg. & Sales Benton v. County of Napa*, 87 F. Supp. 2d 1013, 1015 (D. Cal. 1997) (citing *Benton v. County of Napa*, 226 Cal. App. 3d 1485, 1489-90 (1991)). The court in *Amesco* held that litigation activity is considered to be procedural. *Id.* In *Amesco*, the court initially granted defendant aircraft manufacturer summary judgment because plaintiff export corporation was under suspended status. *Id.* However, when the export corporation

applied for and received revival, the court reconsidered the original motion retroactively. Even though the sole purpose of the revival was to obtain standing to sue the aircraft manufacturer, the court held that the revival had the effect of validating any procedural steps taken previously by the suspended corporation. In other words, although the corporation was suspended when it filed the original complaint, the court found that revival *ultimately meant that the original complaint was retroactively validated.* *Id.* (emphasis added).

A more recent case in California also held that procedural acts are validated retroactively upon revival. *Page v. Children's Council*, 2006 U.S. Dist. LEXIS 68269 (D. Cal. 2006). *Page* cited a few examples of such procedural acts that are validated by revival, including: undertaking discovery, appearing on and filing motions, judgments obtained during suspension, and appeals filed by a suspended corporation. *Id.* *Benton v. County of Napa* (citing *Benton v. County of Napa*, 226 Cal. App. 3d 1485, 1490, 277 Cal. Rptr. 541 (Cal. Ct. App. 1991); *Peacock Hill Asso. V. Peacock Lagoon Constr. Co.*, 8 Cal. 3d 369, 373-74, 105 Cal. Rptr. 29, 503 P.2d 285 (Cal. 1972)).

According to the evidence of record, the California Secretary of State has certified that petitioner's corporate status was suspended on January 3, 2006, and remained

suspended as of the filing of respondent's motion to dismiss. Declaration of J. Allison Grabell, counsel for respondent, Paragraph 3 and Exhibit 1. Thus, it is undisputed that at the time petitioner filed its petition to cancel on February 20, 2007, its corporate status was suspended. However, petitioner has submitted uncontroverted evidence that although its corporate status was suspended due to its failure to file tax returns for the years 2004 and 2005, it is currently in the process of filing the tax returns as well as seeking revival. Declaration of Carlos Reis, President of petitioner, Paragraphs 2-4.¹ Thus, in the event petitioner successfully obtains revival of its corporate status pursuant to California state law, the petition for cancellation would be retroactively validated.

In view of the foregoing, respondent's motion for summary judgment is denied to the extent that petitioner is allowed until **thirty (30) days** from the mailing date of this order to submit evidence that it has successfully revived its corporate status or is in the process of securing such revival under California state law, failing which respondent's motion for summary judgment shall be granted.

Respondent also seeks a ruling from the Board to "invalidate" petitioner's four pleaded pending applications

¹ Applicant's objections to the Reis Declaration based on lack of competence, irrelevance, and hearsay are hereby overruled. Fed. R. Ev. 104, 401, 801, and 802.

Serial Nos. 78822188, 78827792, 78827739, and 78827750 on the same grounds as noted above. Insofar as the applications are currently under *ex parte* examination, the Board lacks jurisdiction to consider respondent's motion for "invalidation." Respondent's recourse lies in filing an opposition against the applications upon publication in the *Official Gazette*. Accordingly, respondent's motion is denied.

Furthermore, we find that even if petitioner were not permitted to rely on its pleaded pending applications, insofar as petitioner has pleaded prior use of its trademarks under the common law, petitioner has the requisite standing to bring this cancellation proceeding. See *Petition to Cancel*, Paragraph 5; *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999).

Proceedings herein remain suspended pending petitioner's notification to the Board regarding its corporate status.