

**THIS DISPOSITION  
IS NOT AS 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**

Lykos

Mailed: October 15, 2008

Cancellation No. 92047162

Fresh Express Incorporated

v.

Supreme Oil Company

Before Hairston, Kuhlke, and Ritchie de Larena,  
Administrative Trademark Judges.

By the Board:

On February 14, 2007, petitioner filed a petition to cancel respondent's registration for the mark SALAD BAR for "salad dressing, salad oils and mayonnaise" in International Class 29 and "relish, tartar sauce, vinegars, spices, capers, condiments; namely, marinated mushrooms; mustards, rice and food flavorings" in International Class 30.<sup>1</sup> As grounds for cancellation in its original and amended complaint, petitioner alleges that respondent has abandoned use of its registered mark for three consecutive years. In the petition for cancellation, petitioner pleaded ownership of intent-to-use application Serial No. 78719905 for the

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<sup>1</sup> Registration No. 1758520, registered on March 16, 1993, alleging January 1, 1998 as the date of first use anywhere and in commerce, Sections 8 and 9 affidavits accepted and granted.

mark SALAD BAR EXPRESS for "garden vegetable and fruit salads; salad kits consisting primarily of lettuce, nuts, berries, fruits, cheese, chicken, bacon bits, nuts, and croutons" in International Class 29.<sup>2</sup> The Examining Attorney cited respondent's registration as a basis for refusal of petitioner's application under Section 2(d).

In its answer to the petition for cancellation, respondent denied the salient allegations thereof and asserted various affirmative defenses.

This case now comes up for consideration of (1) petitioner's motion (filed June 13, 2008) for summary judgment on petitioner's claim of abandonment, in part based on respondent's admissions, and (2) respondent's cross-motion (filed July 22, 2008) to withdraw such admissions under Fed. R. Civ. P. 36(b).<sup>3</sup> The motion for summary judgment is fully briefed; the cross-motion to withdraw the admissions is contested.

I. *Respondent's Motion to Withdraw its Admissions*

Since petitioner's motion for summary judgment is based in part upon respondent's admissions, we will first consider

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<sup>2</sup> Filed September 23, 2005, with a disclaimer of the term SALAD.

<sup>3</sup> Petitioner objects to respondent's motion to withdraw insofar as it was not a separately filed document. However, because the motion to withdraw is clearly delineated as a separate motion in respondent's responsive brief, we have given the motion full consideration.

respondent's motion to withdraw its admissions pursuant to Fed. R. Civ. P. 36(b).

Petitioner served its first requests for admissions on respondent on September 10, 2007. Thereafter, the parties mutually agreed to extend the due date for responses until November 14, 2007. It is disputed, however, whether the parties agreed to further extensions.

Under Fed. R. Civ. P. 36, a requested admission is deemed admitted unless a written answer or objection is provided to the requesting party within thirty days after service of the request, or within such time as the parties agree to in writing. Respondent has yet to respond to the request for admissions. Thus, by operation of Rule 36, the requested matters were admitted.

Respondent has now moved that the Board permit it to withdraw and amend its admissions pursuant to Fed. R. Civ. P. 36(b). We find that respondent is entitled to withdraw and amend the admissions pursuant to the standards set forth in Rule 36(b).

Under Rule 36(b), the Board may permit withdrawal or amendment of admissions where "if it would promote the presentation of the merits of the action and if the court is not persuaded that it would prejudice the requesting party in maintaining or defending the action on the merits." The notes of the Advisory Committee state that Rule 36(b)

emphasizes the importance of having the action resolved on the merits, while at the same time assuring each party that justified reliance on the admission in preparation for trial will not operate to his prejudice. Consistent with the language of the rule, "withdrawal is at the discretion of the court." *Giersch v. Scripps*, 85 USPQ2d 1306 (TTAB 2007) (citation omitted). "[T]he decision to allow a party to withdraw its admission is quintessentially an equitable one, balancing the rights to a full trial on the merits, including the presentation of all relevant evidence, with the necessity of justified reliance by parties on pre-trial procedures and finality as to issues deemed no longer in dispute." *Id.* (citation omitted).

Thus, the test for withdrawal or amendment of admissions is based on two prongs. The first prong of the test is "satisfied when upholding the admissions would practically eliminate any presentation of the merits of the case." *Id.* (citation omitted). In other words, the proposed amendments must "facilitate the development of the case in reaching the truth." *Id.* (citation omitted).

Under the second prong, the court must examine whether withdrawal will prejudice the party that has obtained the admissions. As contemplated under Rule 36(b), "'prejudice' is not simply that the party who initially obtained the admission will now have to convince the fact finder of its

truth, but rather, relates to the special difficulties a party may face caused by the sudden need to obtain evidence upon withdrawal or amendment of admission." *Id.* (citation omitted). The "special difficulties" include the "unavailability of key witnesses in light of the delay." *Id.* (citation omitted). "Mere inconvenience" does not constitute "prejudice." *Id.* (citation omitted). The test is whether that party is now any less able to obtain the evidence required to prove the matter which was admitted than he would have been at the time the admission was made. *Id.* (citation omitted).

With respect to the first prong of the test, we find that the merits of the action will be subserved by allowing withdrawal of the admissions which resulted from respondent's failure to timely respond. It appears that respondent intends to submit responses to petitioner's requests in which many of the admissions pertaining to respondent's non-use of its registered mark would now be denied, thereby demonstrating that the supposedly admitted matters would then be disputed. If withdrawal of the admissions were not permitted, respondent would be held to have admitted critical facts pertaining to non-use of its registered mark.

As to the second prong of the test set forth in Rule 36(b), we find that petitioner will not be prejudiced by

allowing the withdrawal of respondent's admissions and their replacement with the later served responses. While we recognize that petitioner relied in part on the admissions in filing its motion for summary judgment, such reliance does not rise to the level of prejudice as contemplated under Rule 36(b). See *FDIC v. Prusia*, 18 F.3d 637 (8th Cir. 1994) (holding that the mere fact that a party may have prepared a summary judgment motion in reliance on an opposing party's erroneous admission does not constitute 'prejudice' such as will preclude grant of a motion to withdraw admissions). There is no evidence that the late submission of admissions will result in problems for petitioner obtaining witnesses or presenting its case at trial. In addition, by this order, the Board is reopening discovery solely for petitioner to allow petitioner to conduct follow-up discovery in light of the amended responses, thereby mitigating any potential prejudice.

In view thereof, respondent's motion to withdraw its admissions is granted.<sup>4</sup>

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<sup>4</sup> Petitioner has also requested imposition of the estoppel sanction for respondent's failure to respond in full to petitioner's outstanding discovery requests. See, e.g. *ConAgra v. Saaverdra*, 4 USPQ2d 1245 (TTAB 1987). However, in light of the fact that there was some confusion with regard to the status of the parties' settlement negotiations and informal discovery exchange, coupled with the fact that no Board order is in place compelling discovery, at this juncture, we find that it would be inappropriate to apply the estoppel sanction. Accordingly, the motion is denied.

## II. *Petitioner's Motion for Summary Judgment*

As noted above, petitioner's motion for summary judgment is based in part on respondent having admitted petitioner's Request for Admissions Nos. 14-104. However, because respondent appears to have indicated its intent to withdraw these admissions, petitioner can no longer rely on them to support its motion. We must therefore consider the remaining evidence of record proffered by petitioner in support of its motion for summary judgment, primarily the declaration of Mr. DJ Brooks, Investigator, National Trademark Investigations and evidence contained therein ("Brooks Declaration"). According to the declaration, Mr. Brooks conducted an investigation and purportedly found no evidence of use of respondent's registered mark. Mr. Brooks' conclusions are based mainly upon Internet research and statements made by a senior sales representative of respondent.

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute and the moving party is entitled to judgment as a matter of law. See Fed. R. Civ. P. 56(c). The 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 judgment as a matter of law. See *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986).

The evidence must be viewed, however, in a light favorable to the non-moving party, and all reasonable inferences are to be drawn in the non-movant's favor.

Section 45 of the Trademark Act, 15 U.S.C. § 1127, provides that a mark is abandoned when "its use has been discontinued with intent not to resume use. . . . Nonuse for three consecutive years shall be prima facie evidence of abandonment." In order to prevail on a claim for cancellation on the ground of abandonment, a party must allege and prove, in addition to its standing, abandonment of the mark as the result of nonuse or other conduct by the registrant. See Trademark Act Section 45, 15 U.S.C. § 1127; see also, *On-Line Careline, Inc. v. America Online*, 229 F.3d 1080, 56 USPQ2d 1471 (Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). Evidence of nonuse of the mark for three consecutive years constitutes a prima facie claim of abandonment and shifts the burden to the party contesting abandonment to show either: (1) evidence to disprove the underlying fact triggering the presumption of nonuse, or (2) evidence of an intent to resume use to disprove the presumed fact of no intent to resume use. See Trademark Act Section 45, 15 U.S.C. § 1127; *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990); see generally, 2 J. Thomas McCarthy, *McCarthy*

*on Trademarks and Unfair Competition*, § 17:18 (4th ed. 1996). In order to establish an intent to resume use, a respondent must put forth evidence with respect to either specific activities undertaken during the period of nonuse or special circumstances which excuse nonuse. See *Cerveceria India Inc. v. Cerveceria Centroamerica, S.A.*, 10 USPQ2d 1064 (TTAB 1989), *aff'd*, 892 F.2d 1021, 13 USPQ2d 1307 (Fed. Cir. 1989); see also, *On-Line Careline, Inc.*, *supra*.

Upon review of the record evidence, we find that in the absence of the admissions, petitioner has not demonstrated the absence of a genuine issue of material fact with respect to the abandonment of respondent's mark. This is especially true in light of the fact that the Brooks Declaration is based on hearsay statements made by an employee of respondent. In addition, the absence of proof of use on the Internet is not sufficient for the Board to conclude that respondent's mark is not in use and has not been for three consecutive years.

Accordingly, petitioner's motion for summary judgment

on its claim of abandonment is denied.<sup>5</sup>

In view of the foregoing, respondent is allowed until TWENTY (20) days from the mailing date of this order to submit responses to petitioner's first set of admission requests, failing which the admissions will again be deemed admitted, and petitioner will be permitted to file a renewed motion for summary judgment on its claim of abandonment based upon such admissions.

Insofar as we have permitted respondent to withdraw its admissions, and that had respondent timely served responses to petitioner's requests for admissions, petitioner would have had time to conduct follow-up discovery, we are sua sponte reopening discovery solely for petitioner as set forth in the trial schedule below:

THE PERIOD FOR DISCOVERY SOLELY FOR PETITIONER TO CLOSE:	12/18/08
30-day testimony period for party in position of plaintiff to close:	3/18/09
30-day testimony period for party in position of defendant to close:	5/17/09
15-day rebuttal testimony period for party in position of plaintiff to close:	7/1/09

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<sup>5</sup> The parties should note that all evidence submitted in support of and in opposition to the motion for summary judgment is of record only for consideration of said motion. Any such evidence to be considered in final hearing must be properly introduced in evidence during the appropriate trial periods. See *Levi Strauss & Co. v. Josephs Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993); and *Pet Inc. v. Bassetti*, 219 USPQ 911 (TTAB 1983).

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.

**NEWS FROM THE TTAB:**

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](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 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>