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

gcp/jk

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Cancellation No. 92044619

Cancellation No. 92047319

EDWARD J. LAUTH III

v.

NEW EASTERN AIR LINES, INC.
AND AVIATION CAPITAL
PARTNERS GROUP, LLC.

Before Walters, Zervas, Mermelstein,
Administrative Trademark Judges

By the Board:

Eastern Air lines, Inc. ("Eastern") is the USPTO-record owner of registrations for the following marks: (1) EASTERN AIR LINES;¹ (2) THE EASTERN EXPRESSWAY;² (3) EASTERN and circular design;³ and (4) a circular design,⁴ all for either "transportation of passengers by air" or "transportation of persons by air" in International Class 39.

¹ Registration No. 1285593, AIR LINES disclaimed; registered July 10, 1984, Section 8 and 9 affidavits accepted and granted on July 5, 2005.

² Registration No. 1466632, registered November 24, 1987, Section 8 affidavit accepted January 10, 1994, first renewal November 6, 2007.

³ Registration No. 1467648, registered December 1, 1987, Section 8 affidavit accepted January 10, 1994, first renewal November 5, 2007.

⁴Registration No. 1490543, registered May 31, 1998, Section 8 affidavit accepted January 10, 1994.

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On June 7, 2005, Edward J. Lauth III ("petitioner") filed a petition to cancel Registration Nos. 1285593, 1466632 and 1467648, and on March 29, 2007, filed a petition to cancel Registration No. 1490543.⁵ As grounds therefor, petitioner alleges that Eastern abandoned its registered marks through non-use of these marks in connection with the respectively identified services for a period in excess of three years with no intent to resume use. In addition, petitioner pleaded his ownership of applications for the following marks: EASTERN AIR LINES (standard characters),⁶ FLY EASTERN (standard characters),⁷ EASTERN AIR LINES and circular bird design,⁸ and EASTERN and circular design,⁹ and asserted standing to bring these

⁵ By order dated April 16, 2007, the Board consolidated the two cancellation proceedings.

⁶ Application Serial No. 78372648, filed February 23, 2004, alleging a bona fide intent to use the mark in commerce, for "transportation of persons, property, and mail by air; airline passenger services in the nature of a frequent flyer program; providing information in the field of travel and transportation by electronic means," in International Class 39.

⁷ Application Serial No. 78375506, filed February 27, 2004, alleging a bona fide intent to use the mark in commerce, for "transportation of persons, property, and mail by air; airline passenger services in the nature of a frequent flyer program; providing information in the field of travel and transportation by electronic means," in International Class 39.

⁸ Application Serial No. 78375530, AIR LINES disclaimed; filed February 27, 2004, alleging a bona fide intent to use the mark in commerce, for "transportation of persons, property, and mail by air; airline passenger services in the nature of a frequent flyer program; providing information in the field of travel and transportation by electronic means," in International Class 39.

⁹ Application Serial No. 78375547, filed February 27, 2004, alleging a bona fide intent to use the mark in commerce, for "transportation of persons, property, and mail by air; airline passenger services in the nature of a frequent flyer program; providing information in the field of travel and transportation by electronic means," in International Class 39.

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consolidated cancellation proceedings inasmuch as each of petitioner's four applications was refused registration pursuant to Trademark Act Section 2(d), 15 U.S.C. § 1052(d), on the ground that petitioner's marks, when used on the identified services, so resembles Eastern's registered marks as to be likely to cause confusion, mistake or to deceive.

In its answers, Eastern denied the salient allegations of the petitions to cancel and asserted various affirmative defenses.

On December 14, 2007, Eastern filed a motion for summary judgment on petitioner's claim of abandonment. On February 12, 2008, petitioner filed a response to Eastern's motion for summary judgment, and a cross-motion for summary judgment on the same issue.

Preliminary Matter

Eastern mentioned New Eastern Airlines, Inc. for the first time in its March 18, 2008 response to petitioner's cross motion for summary judgment, without further identification or explanation, as a party to an "Asset Purchase and Sale Agreement" with a stated effective date of October 25, 2007.

On May 29, 2008, the Board issued an order allowing respondent time in which to clarify the relationship, if any, between Eastern and New Eastern Air Lines, Inc.

In a June 17, 2008 response to the Board's order, respondent stated that New Eastern Airlines, Inc. is the name under which

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the state of Delaware required Eastern Air Lines, Inc. to reinstate its corporate entity after the original Delaware corporation, Eastern Air Lines, Inc. became inactive due to bankruptcy proceedings.

If the name of a party to an inter partes proceeding before the Board is changed, the title of the Board proceeding may be changed, upon motion or upon the Board's own initiative, to reflect the change of name, provided that appropriate evidence thereof is made of record in the proceeding. See TBMP § 512.02 (2d ed. rev. 2004).

Respondent has not provided actual documentation of a change of name, and corporate documents submitted subsequent to Eastern's emergence from bankruptcy are inconsistent in that some reference "Eastern Air Lines, Inc." while others reference "New Eastern Airlines, Inc."¹⁰ However, it is apparent from the current filings, and there appears to be no dispute between the parties, that New Eastern Air Lines, Inc. is an entity which now stands in the place of Eastern Air Lines, Inc. Therefore, we *sua sponte* substitute New Eastern Air Lines, Inc. for Eastern Airlines, Inc. ("respondent") as a party defendant herein. This

¹⁰ Respondent submitted an "Asset Purchase and Sale Agreement" dated October 25, 2007 which identifies the "seller" as "New Eastern Air Lines, Inc," a "Warrant Agreement" dated and effective October 10, 2007 which identifies the "holder" as "Eastern Air Lines, Inc," a "Secured Promissory Note" dated October 25, 2007 which identifies the "seller" as "New Eastern Air Lines, Inc.," and four assignment documents for the four subject registrations, each dated October 25, 2007, each of which identifies the assignor as "Eastern Air Lines, Inc."

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change is reflected in the caption of these consolidated proceedings.

Pending motions

These consolidated cancellation proceedings are now before the Board for consideration of (1) the parties' cross-motions for summary judgment on the issue of abandonment, (2) Aviation Capital Partners Group, LLC's ("ACPG") motion to intervene and joinder in respondent's filings, and (3) petitioner's motion to reopen discovery.

Cross motions for summary judgment

Summary judgment is appropriate when the record shows that there is no genuine issue of material fact and that the moving party is entitled to judgment as a matter of law. See Fed. R. Civ. P. 56(c). A dispute as to a material fact is genuine only if a reasonable fact finder viewing the entire record could resolve the dispute in favor of the nonmoving party. See *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). A party seeking summary judgment bears the initial burden of informing the Board of the basis for its motion and identifying those portions of the record which it believes demonstrates the absence of a genuine issue of material fact. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S. Ct. 2548 (1986). When the moving party's motion is supported by evidence sufficient, if unopposed, to indicate

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that there is no genuine issue of material fact, and that the moving party is entitled to judgment, the burden shifts to the nonmoving party to demonstrate the existence of specific genuinely disputed facts which must be resolved at trial.

Abandonment is defined in Section 45 of the Trademark Act, 15 U.S.C. § 1127:

A mark shall be deemed to be "abandoned" if either of the following occurs:

(1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be *prima facie* evidence of abandonment. "Use" of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

A party claiming that a mark has been abandoned must show "non-use of the name by the legal owner and no intent by that person or entity to resume use in the reasonably foreseeable future." See *Stetson v. Howard D. Wolf & Assoc.*, 955 F.2d 847, 850, 21 USPQ2d 1783 (2d Cir 1992). See also *Emergency One, Inc. v. American FireEagle, Ltd.*, 228 F.3d 531, 56 USPQ2d 1343 (4th Cir. 2000). In a cancellation proceeding, petitioner bears the burden of establishing abandonment by a preponderance of the evidence, and a *prima facie* showing operates to shift the burden of production to the registrant. *Cerveceria Centroamericana S.A. v. Cerveceria India Inc.*, 892 F.2d. 1021, 1024, 13 USPQ2d 1307 (Fed. Cir. 1989). To rebut and overcome a *prima facie* case, a

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registrant must come forth with evidence either of use during the relevant period, or that its discontinued use was not accompanied by an intent to abandon the mark. *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d. 1575, 14 USPQ2d 1390, 1393 (Fed. Cir. 1990).

After thorough consideration of the allegations and evidence presented in the cross-motions for summary judgment, we find that disposition by summary judgment is inappropriate in this case. At a minimum, genuine issues of material fact exist regarding the specific nature and extent of respondents' activities to recommence use of the subject marks in connection with the identified services subsequent to the conclusion of the bankruptcy proceeding.¹¹

In view thereof, respondent's motion for summary judgment, and petitioner's cross motion for summary judgment, are denied.

ACPG's motion to intervene and joinder in respondent's filings

In its June 17, 2008 filing, Eastern refers to an agreement between itself and ACPG, stating that respondent and ACPG "have entered into an agreement which calls for the transfer of the subject Marks to ACPG."¹²

¹¹ We note, in particular, that the summary judgment record is unclear on the specific nature and timing of respondent's dealings with Aviation Capital Partners Group ("ACPG") and any actions relative to the subject marks and the respectively identified services that may have been taken by ACPG.

¹² The assignment documents pertaining to each of the four subject registrations identify the assignee therein as Aviation Capital Partners Group, LLC, a Delaware Limited Liability Company.

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Also on June 17, 2008, ACPG filed a motion captioned "ACPG's verified motion to intervene and joinder in respondent's filings," wherein ACPG states that it entered into an "Asset Purchase Agreement" with respondent which provides for the acquisition of all of respondent's assets, including its intellectual property, and that ACPG therefore has an interest in the outcome of these proceedings. ACPG asserts that, based on this interest, it should be joined as a party herein.

In its July 7, 2008 response to ACPG's motion to intervene and joinder, petitioner agreed that, as a result of the assignments of each of the four subject registrations from Eastern Air Lines, Inc. to ACPG, ACPG "must be joined as a party defendant in this proceeding."

When there has been an assignment of a mark that is the subject of, or relied upon in, an inter partes proceeding before the Board, the assignee may be joined or substituted, as may be appropriate, upon motion granted by the Board, or upon the Board's own initiative. The assignee may be substituted as a party if the assignment occurred prior to the commencement of the proceeding, or the assignor is no longer in existence, or the plaintiff raises no objections to substitution, or the discovery and testimony periods have closed; otherwise, the assignee will be joined, rather than substituted. See TBMP § 512.01 (2d ed. rev. 2004).

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We note that respondent and ACPG have entered into an "Asset Purchase Agreement" which includes a provision for the transfer of the four subject marks to ACPG, and note that each of four "Assignment of Trademark" documents names ACPG as assignee. Although consummation of the purchase transaction and recordation of the assignments are stated in respondent's response to the Board's May 29, 2008 order to be contingent upon the receipt of certain outstanding payments, we nonetheless find that the parties' filings indicate that the outcome of these proceedings may have a direct bearing on the interests of ACPG. Thus, because ACPG has an interest in the outcome of these proceedings, ACPG is hereby joined as a party defendant in these consolidated proceedings.

Accordingly, respondent's motion to intervene and joinder in respondent's filings is granted.

Petitioner's motion to reopen discovery

Petitioner moved for a reopening of the discovery period for petitioner only, stating in support therefor that it had no opportunity to take discovery of ACPG inasmuch as respondent first informed petitioner of its assignment of the four subject marks to ACPG in its March 18, 2008 response to petitioner's cross motion for summary judgment, long after the October 20, 2007 close of discovery.

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In its motion to reopen discovery, petitioner seeks a discovery period of ninety days, for petitioner only, in which to take discovery from ACPG. It is apparent that petitioner lacked the opportunity to conduct any discovery pertaining to any issue involving or of relevance to the assignee identified in said assignments, namely, Aviation Capital Partners Group, LLC.

The discovery period may be extended upon stipulation of the parties approved by the Board, or upon motion granted by the Board, or by order of the Board. See Trademark Rule 2.120(a)(2). In its discretion, the Board may reopen or reset the discovery period to accommodate the parties' discovery needs, given the status of the proceedings before it.

Accordingly, the discovery period is hereby reset, as set forth below, for a period of thirty (30) days, during which time either petitioner or respondents captioned herein may conduct discovery limited to matters involving ACPG.

In summary, respondent's motion for summary judgment is denied, petitioner's cross-motion for summary judgment is denied, ACPG's motion to intervene and joinder in respondent's filings is granted, and petitioner's motion to reopen discovery is granted to the extent indicated herein. In addition, New Eastern Air Lines, Inc. is hereby substituted as a party defendant for Eastern Airlines, Inc. in these proceedings.

Limited discovery, and trial dates, are reset as follows:

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LIMITED 30-DAY DISCOVERY PERIOD TO CLOSE:	08/29/08
30-day testimony period for party in position of plaintiff to close:	11/27/08
30-day testimony period for party in position of defendant to close:	01/26/09
15-day rebuttal testimony period to close:	03/12/09

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.