

This decision is not a precedent of the  
Trademark Trial and Appeal Board.

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

Baxley

Mailed: February 26, 2008

Cancellation No. 92047383

Sawatacon Limited and Thomas  
M. Sawa

v.

Brace International, Inc.

Before Hairston, Kuhlke, and Bergsman,  
Administrative Trademark Judges

By the Board:

Brace International, Inc. ("respondent") is the record  
owner of Registration No. 1977928 for the mark SAWA in typed  
form for "orthopedic brace[s]" in International Class 10.<sup>1</sup>

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<sup>1</sup> The registration was issued on June 4, 1996 and has been  
renewed. The registration includes a claim of acquired  
distinctiveness under Trademark Act Section 2(f), 15 U.S.C.  
Section 1052(f).

On June 4, 2001, Sawatacon Limited ("Sawatacon") filed a  
petition to cancel respondent's registration on the grounds that  
1) respondent committed fraud in the declaration in the  
underlying application for that registration; 2) the mark  
consists of the name of its principal owner without the principal  
owner's written consent under Trademark Act Section 2(c), 15  
U.S.C. Section 1052(c); and 3) priority of use and likelihood of  
confusion. That petition resulted in the institution of  
Cancellation No. 92032081. However, the Board dismissed  
Cancellation No. 92032081 and entered judgment against Sawatacon  
on June 3, 2005 after Sawatacon failed to respond to two Board  
orders following its attorney's withdrawal from this case. In an  
October 31, 2005 order, the Board denied Sawatacon's motion for  
relief from judgment under Fed. R. Civ. P. 60(b).

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On April 12, 2007, Sawatacon Limited ("Sawatacon") and Dr. Thomas M. Sawa (collectively "petitioners"), who are appearing herein without an attorney, filed a petition to cancel respondent's registration. A review of that petition indicates that it consists of three unnumbered single-spaced paragraphs which, while not a model of clarity, provides notice pleading of the following grounds: 1) the mark consists of Dr. Sawa's name and is unregistrable without his written consent; 2) the mark, as used by respondent, falsely suggests a connection with Dr. Sawa; and 3) respondent fraudulently signed the declaration in the application for that registration.<sup>2</sup> Respondent, in its answer, denied the salient allegations of the petition to cancel and asserted affirmative defenses, including that the above-captioned proceeding is barred by claim preclusion, or *res judicata*.

This case now comes up for consideration of respondent's motion (filed October 18, 2007) for summary judgment on its pleaded affirmative defense of claim preclusion or *res judicata*. The motion has been fully briefed.

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<sup>2</sup> Petitioners also allege infringement of Patent No. 5267928. However, the Board is an administrative tribunal of limited jurisdiction that, in this proceeding, is authorized only to determine whether respondent can retain its registration for the SAWA trademark. See TBMP Section 102.01 (2d ed. rev. 2004). The Board cannot determine any issues regarding said patent.

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Claim preclusion or *res judicata* occurs "[w]hen a valid and final judgment rendered in an action extinguishes the plaintiff's claim pursuant to the rules of merger or bar ... the claim extinguished includes all rights of the plaintiff to remedies against the defendant with respect to all or any part of the transaction, or series of connected transactions, out of which the action arose." *Vitaline Corp. v. General Mills Inc.*, 891 F.2d 273, 13 USPQ2d 1172, 1173 (Fed. Cir. 1989), citing to Restatement (Second) of Judgments Section 24(1) at 196. Under claim preclusion, a plaintiff is barred from a "subsequent assertion of the same transactional facts in the form of a different cause of action or theory of relief." *Vitaline Corp. v. General Mills Inc.*, 13 USPQ2d at 1174 (citations omitted). Therefore, a subsequent action will be barred by claim preclusion if the following factors are present: (1) there is identity of parties or their privies; (2) the second claim is based on the same set of transactional facts as the first; and (3) there has been a final judgment on the merits. *Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000).

As regards the first factor, the identity of parties or their privies, "[p]rivity has been characterized as a relationship where 'there was a substantial identity of parties'." *Symbol Technologies Inc. V. Metrologic*

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*Instruments Inc.*, 21 USPQ 1481, 1488 (D.N.J. 1991), quoting *Chicago, Rock Island & Pac. Ry. V. Schendel*, 270 U.S. 611, 621 (1926). Although Dr. Sawa was technically not a party to the earlier cancellation proceeding, the basis for applying preclusion against him rests on his being Sawatacon's president and his actual participation in the prior litigation. Section 39 of the Restatement (Second) of Judgments (1982) states the applicable black-letter law:

A person who is not a party to an action but who controls or substantially participates in the control of the presentation on behalf of a party is bound by the determination of issues decided as though he were a party.

See also 18 Wright & Miller, *Federal Practice and Procedure* Section 4451 (updated by pocket part 2004).

The record of the prior action reveals that Dr. Sawa was Sawatacon's president during that case and that he substantially participated in Sawatacon's presentation therein by personally filing several submissions on Sawatacon's behalf following the withdrawal of its attorney from the case. As such, Dr. Sawa is bound by the dismissal of the first petition. See, e.g., *Kraeger v. General Electric Co.*, 497 F.2d 468, 472 (2d Cir. 1974) (The president and sole shareholder of a corporation was bound by the corporation's defeat in an action that he effectively controlled).

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Turning to factor two, the requirement that the subsequent claims be based on the same transactional facts as the first, the transactional facts which are the basis of petitioners' claims in this proceeding are identical to those that formed the basis of the claims in the prior proceeding. In particular, the claims are all based on respondent's registration of the involved SAWA mark without Dr. Sawa's knowledge and consent, by falsely asserting ownership of that mark. Further, the claims that respondent fraudulently executed the declaration in the underlying application for the involved registration and that the mark consists of Dr. Sawa's name without his written consent were brought in the earlier proceeding, and the claim that the mark falsely suggests a connection with Dr. Sawa have, and should have, been brought in that proceeding.

With regard to factor three, the requirement that there must have been a final decision on the merits, by its decision in Cancellation No. 92032081, the Board entered final judgment against Sawatacon and dismissed the case with prejudice.

In view of the foregoing, respondent's motion for summary judgment is hereby granted. The petition for cancellation is dismissed with prejudice.