

THIS OPINION IS NOT A
PRECEDENT OF THE TTAB

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

Baxley

Mailed: November 4, 2008

Cancellation No. 92048118

Jack Richeson & Co., Inc.

v.

Select Export Corp. dba Trident

Before Walters, Zervas and Cataldo,
Administrative Trademark Judges

By the Board:

Select Export Corp. ("respondent") is the record owner of a registration for the mark TRIDENT and design in the following form,



for "surveying, measuring, and teaching apparatus and instruments, namely, computer stands specifically designed for holding computer equipment, triangular scales, [and] graduated acrylic rulers" in International Class 9;
"artists' material, namely, easels, wooden easels, drafting compasses, drafting instruments, drafting rulers, drafting triangles, drawing boards, drawing compasses, drawing pads,

Cancellation No. 92048118

drawing rulers, painting palettes, technical pens, adjustable triangles, T squares, drawing flexible curve ruler, [and] compasses" in International Class 16; "wooden taboret for architectural drawings plans and maps, furniture, auxiliary cart for art supplies, steel drafting tables, wooden drafting tables, wooden stools, wooden tops and melamine tops for use on top of drafting tables" in International Class 20.¹

By a post-registration amendment filed on July 13, 2007, respondent sought to delete the following goods from the involved registration: "surveying chains, surveyor's levels, tripod for topography, telescoping leveling rods, folding wooden rods, range poles, adjustable arm protractor, protractors, computer workstation comprising a computer printer and accessories, machinist scales, proportion calculator, computer for air navigation, circular slide rule, pocket scales, graduated parallel ruler for marine charts, graduated wooden rulers, graduated professional ruler, air navigation slide ruler, plotting rule for navigation, metric slide ruler for conversion, tolerance table ruler, angle iron level, metal professional

¹ Registration No. 2619642, issued September 17, 2002, based on a use-based application filed on June 28, 2000, in which respondent alleged March 1, 1988 as both the date of first use anywhere and the date of first use in commerce. Section 8 affidavit accepted, Section 15 affidavit acknowledged. The registration includes a statement that the mark is lined for the color red.

Cancellation No. 92048118

pantograph, surveyor's levels, bevels, measuring spoons and cups; data processors; and computers" in International Class 9; "artists' brushes, artists' pastels, artists' pencils, artists' pens, canvas panels for artists, electrical wood burning artists' pens, metals in foil and powder form for painters, decorators, and artists, painting sets for artists, art prints, art etchings, art mounts, art pads, art paper, art pictures, arts and craft paint kits, easel pads, aluminum easels, drafting curves, drafting squares, drafting templates, drafting trays, drawing brushes, drawing curves, drawing instruments, drawing paper, drawing pencils, drawing shields, drawing squares, drawing templates, drawing trays, drawing triangles, paint brushes, painting sets, painting sets for children, paintings, paints for arts and crafts, pens, and pencils, French curves, highway curves, naval curves, templates for business forms and graphic art, parallel straightedge, chalk boards, white boards, drawing quick parallel glider, drawing stumps, portable sketch boards, stretched and mounted canvas, printed instructional and teaching materials in the line of fine art painting" in International Class 16; and "metal display rolling stands for architectural drawings plans and maps" in International Class 20. Although that amendment was first rejected in a September 14, 2007 post-registration office action because

Cancellation No. 92048118

that amendment was unverified, respondent was able to effect the amendment through the filing of its declaration of incontestability under Trademark Act Section 15, 15 U.S.C. Section 1065, on the fifth anniversary of the issuance of the registration.²

Also on the fifth anniversary of the issuance of that registration, Jack Richeson & Co., Inc. ("petitioner") filed a petition to cancel respondent's registration on the grounds of: (1) fraud based on an allegedly false assertion of use of the mark on the goods identified in the registration in the use-based application therefor; (2) fraud based on a false assertion of ownership of the involved mark; and (3) abandonment based on nonuse of the mark.³

Respondent, in its answer, denied the salient allegations of the petition to cancel and asserted affirmative defenses, including that the petition to cancel is barred under the doctrine of *res judicata* (or claim preclusion) in view of the Board's dismissal with prejudice

² Respondent submitted its declaration of use of the mark in commerce under Trademark Act Section 8, 15 U.S.C. Section 1058, in a separate filing on September 24, 2007. The Section 8 declaration was accepted on October 3, 2007, and an updated registration certificate was published in the Official Gazette on October 23, 2007.

³ Because the declaration of incontestability, through which goods were deleted from the involved registration, was filed on the same day as the petition to cancel, the deletion of those goods is without prejudice to respondent. Cf. TBMP Section 602.01 (2d ed. rev. 2004).

Cancellation No. 92048118

of the petition to cancel that petitioner's predecessor-in-interest filed in Cancellation No. 92043330, styled *Trident S/A Industria De Precisao v. Select Import Corp. d/b/a Trident*.

In Cancellation No. 92043330, petitioner's predecessor-in-interest sought to cancel the involved registration on the ground that respondent is not, and was not at the time the application for that registration was filed, the owner of the registered mark. The Board, in a September 30, 2005 order, dismissed with prejudice the petition to cancel in that proceeding based on the predecessor-in-interest's loss of interest after the predecessor-in-interest failed to respond to a Board order to show cause following the withdrawal of its attorney from that proceeding.

This case now comes up for consideration of respondent's combined motion for summary judgment and for dismissal under Fed. R. Civ. P. 12(b)(6) for failure to state a claim upon which relief can be granted. Petitioner has filed a brief in response thereto.

We will first consider respondent's motion to dismiss under Fed. R. Civ. P. 12(b)(6). Such motion should have been filed prior to, or concurrently with, respondent's answer. See Fed. R. Civ. P. 12(b); TBMP Section 503.01 (2d ed. rev. 2004). Inasmuch as respondent filed its combined motion more than seven months after it filed its answer in

Cancellation No. 92048118

this proceeding, the motion to dismiss is untimely. In view thereof, the motion to dismiss under Fed. R. Civ. P. 12(b)(6) is denied.

Moreover, even if we had considered the motion to dismiss on its merits, we would deny it. A motion to dismiss for failure to state a claim upon which relief can be granted is, in this case, solely a test of the legal sufficiency of the petition to cancel. See *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993). To withstand such motion, petitioner need only allege therein such facts as would, if proved, establish that it is entitled to the relief sought, that is, that (1) petitioner has standing to maintain the proceeding, and (2) a valid ground exists for canceling the subject registration. See *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); TBMP Section 503.02 (2d ed. rev. 2004). In the petition to cancel, petitioner has adequately pleaded, at a minimum, its standing (paragraph 1) and has set forth a legally sufficient claim of fraud based on an allegedly false assertion of ownership of the involved mark (paragraphs 8-11).⁴

⁴ Contrary to respondent's assertion, petitioner need not cite "proper legal authority" in the petition to cancel. Plaintiffs in Board *inter partes* proceedings frequently set forth claims in their complaints without identifying the specific statutory basis for those claims.

Cancellation No. 92048118

We will next consider respondent's motion for summary judgment, whereby respondent seeks dismissal of the ground of fraud based on respondent's allegedly false assertion of ownership under the doctrine of *res judicata* and dismissal of the claims of fraud based on nonuse and abandonment on the merits.

Turning, first, to respondent's claim that petitioner's pleaded ground of fraud based on an allegedly false assertion of ownership is barred under the doctrine of *res judicata*. The starting place for any analysis of *res judicata* is a determination of whether the party raising the issue is asserting "claim" preclusion or "issue" preclusion. See *Chromalloy American Corporation v. Kenneth Gordon (New Orleans), Ltd.*, 222 USPQ 187 (Fed. Cir. 1984). "*Res judicata*" usually refers to "claim preclusion," whereas "collateral estoppel" usually refers to "issue preclusion." Issue preclusion operates only as to issues actually litigated. See *Mother's Restaurant, Inc. v. Mama's Pizza, Inc.*, 723 F.2d 1566, 1570, 221 USPQ 394, 397 (Fed.Cir. 1983). Because no issues were actually litigated in the prior proceeding, issue preclusion is inapplicable in this case.

A second suit will be barred by claim preclusion if:
(1) there is identity of parties (or their privies); (2)

Cancellation No. 92048118

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 Inc. v. Sewage Aeration Systems*, 55 USPQ2d 1854 (Fed. Cir. 2000) (quoting *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n.5 (1979)). Claim preclusion may operate between the parties simply by virtue of the final judgment. See *The Young Engineers v. U.S. International Trade Commission*, 721 F.2d 1305, 219 USPQ 1142, 1151 (Fed.Cir. 1983). Claim preclusion has come to incorporate common law concepts of merger and bar, and will thus also bar a second suit raising claims based on the same set of transactional facts. See *Jet Inc. v. Sewage Aeration Systems*, *supra* at 1856 (citing *Migra v. Warren City School Dist. Bd. of Educ.*, 465 U.S. 75, 77 n.1 (1984)).

We note initially that the record clearly indicates that Cancellation No. 92043330 was between respondent and petitioner's immediate predecessor-in-interest, i.e., a privy of petitioner.

However, with regard to the earlier cancellation proceeding, petitioner asserts that the dismissal with prejudice of its predecessor-in-interest's petition to cancel in Cancellation No. 92043330 was by default and therefore does not constitute a final judgment on the merits. However, default judgments can give rise to the

Cancellation No. 92048118

application of the doctrine of *res judicata*. See *Int'l Nutrition Co. v. Horphag Research Ltd.*, 220 F.3d 1325, 55 USPQ2d 1492 (Fed. Cir. 2000). Petitioner cannot avoid the bar of claim preclusion on the ground that its predecessor's petition to cancel was dismissed with prejudice based on its predecessor's loss of interest and not after a final determination of that proceeding after trial.

However, we find that, for purposes of this motion, the nonownership claim in the earlier cancellation proceeding and fraud claim based on a false assertion of ownership in this proceeding are based on a different set of transactional facts. Although both relate to respondent's assertion of ownership of the involved mark, the fraud claim in this proceeding involves an added issue of intent, and the facts pertinent thereto, which was not present in the earlier proceeding. See *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ2d 1483 (Fed. Cir. 1986).

In view thereof, we hereby deny respondent's motion for partial summary judgment on the portion of petitioner's fraud claim that is based on an allegedly false assertion of ownership of the involved mark in the underlying application for the involved registration is barred under the doctrine of *res judicata*.

We will next consider respondent's motion for partial summary judgment seeking dismissal of the portion of

Cancellation No. 92048118

petitioner's fraud claim that is based on alleged nonuse and note that this portion of the claim is not pleaded with specificity. See Fed. R. Civ. P. 9(b). Petitioner bases this portion of its fraud claim in large part on an allegation that the dates of use that were set forth in the application for the involved registration are false. However, false dates of use set forth in a use-based application cannot constitute fraud, provided that there was use of the involved mark in connection with the identified goods prior to the filing of that application.⁵ See *Georgia-Southern Oil Inc. v. Richardson*, 16 USPQ2d 1723, 1726-27 (TTAB 1990).

In view of petitioner's allegations that respondent has not ever used the mark in commerce, it appears that petitioner may intend to base its nonuse fraud claim on allegations that respondent was merely a United States distributor for petitioner's predecessor-in-interest and, as such, was not using the mark when it signed the application for the involved registration and/or that respondent was not using the mark on all the goods identified in the use-based application for the involved registration when it signed that application.⁶ However, if that is the case, the

⁵ Respondent did not file a motion for a more definite statement. See Fed. R. Civ. P. 12(e); TBMP Section 505 (2d ed. rev. 2004).

⁶ Respondent is advised that its deletion of goods from the involved registration cannot cure a fraud that was committed in

Cancellation No. 92048118

petition to cancel must specifically make such an allegation. Further, if petitioner is alleging that respondent was not using the mark on all the goods identified in the use-based application for the involved registration when it signed that application, the petition to cancel must identify with specificity the goods on which respondent was not using the mark. Because respondent's motion for partial summary judgment on the nonuse fraud ground is based on an inadequately pleaded ground, that motion is denied. Petitioner is directed to file an amended pleading properly stating this ground with specificity within thirty days of the mailing date set forth in this order or the claim will be considered stricken from the pleading.

We will next consider respondent's motion for partial summary judgment dismissing the claim of abandonment. Here too the claim is unclearly pleaded. In paragraph 12 of the petition to cancel, petitioner asserts that the mark has been abandoned "through intentional nonuse," while in paragraph 13, petitioner asserts that the goodwill associated with the mark has been "destroyed by ... intentional abandonment and nonuse." However, abandonment requires "discontinu[ation of use] with intent not to resume

obtaining a registration if the deleted goods were not in use at the time the use-based application for that registration was

Cancellation No. 92048118

such use."⁷ See Trademark Act Section 45, 15 U.S.C. Section 1127. If petitioner intends to allege that respondent has abandoned use of the mark by discontinuing use of that mark with intent not to resume such use, it must amend the petition to cancel to so assert. Further, if petitioner is alleging only partial abandonment of the mark, it must specify the international classes or goods within those classes on which respondent has abandoned the mark.

Because respondent's motion for partial summary judgment on the abandonment claim is based on an inadequately pleaded ground, that motion is denied and petitioner is directed to file an amended pleading properly stating this ground with specificity within thirty days of the mailing date set forth in this order, or the claim will be considered stricken from the pleading.

In view thereof, respondent's motion for summary judgment is denied.⁸ Petitioner is allowed until thirty days from the mailing date set forth in this order to file

filed. See *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 USPQ2d 1205, 1208 (TTAB 2003).

⁷ "Intent not to resume may be inferred from circumstances. Nonuse for [three] consecutive years shall be prima facie evidence of abandonment." See *id.*

⁸ The parties should note that evidence submitted in connection with the motion for summary judgment is of record only for consideration of that motion. To be considered at final hearing, any such evidence must be properly introduced in evidence during the appropriate trial period. See *Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993); *Pet Inc. v. Bassetti*, 219 USPQ 911 (TTAB 1983).

Cancellation No. 92048118

an amended petition to cancel, failing which this proceeding will go forward to trial based solely on petitioner's pleaded claim of fraud based on a false assertion of ownership of the involved mark.

Proceedings herein otherwise remain suspended. The Board will reset appropriate dates following the expiration of petitioner's time to amend its pleading should it decide to do so.