

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

MBA

Mailed: May 18, 2009

Cancellation No. 92048879

Nor-Cal Beverage Co., Inc.

v.

Irene J. Ortega d/b/a Gogirl
Activewear

Michael B. Adlin, Interlocutory Attorney:

This case now comes up for consideration of petitioner's motion for leave to amend its petition for cancellation, filed April 16, 2009. The motion is fully briefed.

Background

Respondent owns a registration of the mark GO GIRL for "clothing and headgear for women and girls, namely, hats, caps sweatshirts, sweatpants, leggings, T-shirts, shirts and shorts" (the "Registration").¹ The Registration is more than five years old. Petitioner seeks to cancel the Registration, alleging that because the assignment of the Registration to respondent was "void and legally ineffective," respondent's Section 8 affidavit was also

¹ Registration No. 2227005, issued March 2, 1999 based on a date of first use in commerce of June 21, 1996. [Renewed; Section 15 Affidavit acknowledged].

ineffective, the mark has been effectively abandoned and the Registration should therefore be cancelled. Respondent denies the salient allegations in the petition for cancellation, asserts as an affirmative defense that petitioner "lacks standing" and counterclaims for cancellation of petitioner's registration of GO GIRL for "Non-alcoholic beverages, namely, energy drinks,"² alleging priority of use and likelihood of confusion between petitioner's mark and the mark in the Registration. Petitioner denies the salient allegations in the counterclaim.

Petitioner's Motion and Respondent's Opposition Thereto

Petitioner alleges that "[s]ince the time that the present Petition for Cancellation was filed," it "became aware of additional facts, and has recently come into possession of additional documents, which provide further grounds in support of its Count I (Abandonment), and also provide grounds for a new Count II (Fraud)." Specifically, petitioner claims to have learned that respondent's predecessor in interest assigned the Registration to a third party, prior to purportedly assigning the Registration to respondent. According to petitioner, "[c]ertified documents from the records of the Bankruptcy Court in Texas,

² Registration No. 3235947, issued May 1, 2007, based on a date of first use in commerce of May 15, 2005.

substantiating the foregoing facts, were first obtained by Petitioner on January 21, 2009." Petitioner further alleges that certain documents which respondent produced in this proceeding establish that respondent "knew that the GO GIRL trademark had not been in continuous use by her in commerce for five consecutive years at least in connection with Sweat pants and Leggings ...," and that therefore Respondent committed fraud in maintaining the Registration.

Respondent claims that petitioner's motion "is brought late in the proceedings (just prior to the close of discovery period)," and that the proposed amendments should not be allowed because they will result in additional delay and expense. Respondent also argues that petitioner "has not alleged any factual basis that the trademark registration in question was actually sold to another party" prior to its assignment to respondent. With respect to the proposed claim of fraud, respondent argues that documents which it produced "establish use of the mark in connection with leggings and sweatpants in 2002-2004. Respondent's testimony will cover earlier usage." Finally, respondent claims that petitioner's current, i.e. original, claim is baseless under Texas law, but the original claim is not currently at issue and respondent has not filed a motion for summary judgment.

In its reply brief, petitioner claims that "the Board can mitigate any prejudice to the adverse party by enlarging or reopening the discovery period in order to allow the adverse party adequate time to conduct discovery pertaining to the new issues raised by the amendment to the pleading." Petitioner argues that if additional expense "were a legitimate ground for denying leave to amend, such leave would always be successfully opposed by the adverse party." Furthermore, according to petitioner, "[t]he question of whether the moving party can prove the allegations in the amended pleading is a matter to be determined after the introduction of evidence during the testimony period." Finally, petitioner requests that "all existing discovery and trial deadlines" be reset "in accordance with Board practice," but does not propose a specific schedule.

Decision

Under Fed. R. Civ. P. 15(a), leave to amend a pleading "shall be freely given when justice so requires." Accordingly, the Board is generally liberal in granting leave to amend pleadings, "unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties." International Finance Corp. v. Bravo Co., 64 USPQ2d 1597, 1604 (TTAB 2002). Indeed

[i]f the underlying facts or
circumstances relied upon by a plaintiff

may be a proper subject of relief, he ought to be afforded an opportunity to test his claims on the merits. In the absence of any apparent or declared reason - such as undue delay, bad faith or dilatory motive on the part of the movant, repeated failure to cure deficiencies by amendments previously allowed, undue prejudice to the opposing party by virtue of allowance of the amendment, futility of amendment, etc. - the leave sought should, as the rules require, be "freely given."

Foman v. Davis, 331 U.S. 178, 182 (1962) (quoted with approval in Commodore Electronics Ltd. v. CBM Kabushiki Kaisha, 26 USPQ2d 1503, 1505 (TTAB 1993)).

Here, because petitioner filed its motion for leave to amend prior to trial and prior to the close of discovery, respondent would not be prejudiced by allowing petitioner leave to amend. See e.g., Hurley International LLC v. Volta, 82 USPQ2d 1339, 1341 (TTAB 2007); Commodore Electronics, 26 USPQ2d at 1506. And, as petitioner points out, if respondent's concern with added costs was a basis, without more, to deny leave to amend, then leave to amend would rarely if ever be granted. Respondent's claim that she would be prejudiced by the filing of an amended petition for cancellation because there is not much time left in the discovery period is easily addressed by resetting discovery and trial dates, as set forth below, and by further extending the discovery period, if necessary, upon motion.

Furthermore, petitioner did not unduly delay in seeking leave to amend, given that the factual bases for the proposed amendments were not discovered until mid-January 2009, and this proceeding was suspended for much of the time between petitioner's discovery of the bases for its proposed amendments and the filing of its motion for leave to amend. See, Commodore Electronics, 26 USPQ2d at 1505-06. Finally, while respondent appears to assert that the new claims in the proposed amended petition for cancellation would be futile, "[w]hether or not petitioner can actually prove the claim is a matter to be determined after the introduction of evidence and not at the present time." Focus 21 International Inc. v. Pola Kasei Kogyo Kabushiki Kaisha, 22 USPQ2d 1316, 1318 (TTAB 1992).

Conclusion

For all of these reasons, petitioner's motion for leave to amend is hereby **GRANTED**, and petitioner's proposed amended petition for cancellation is hereby accepted and made of record. Respondent is allowed until **THIRTY DAYS** from the mailing date of this order to file its answer to the now-operative amended petition for cancellation. Discovery, disclosure, trial and other dates are reset as follows:

Expert Disclosures Due

August 17, 2009
September 16, 2009

Discovery Closes

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|---|--------------------------|
| Plaintiff's Pretrial Disclosures | October 31, 2009 |
| Plaintiff's 30-day Trial Period Ends | December 15, 2009 |
| Defendant's Pretrial Disclosures | December 30, 2009 |
| Defendant's 30-day Trial Period Ends | February 13, 2010 |
| Plaintiff's Rebuttal Disclosures | February 28, 2010 |
| Plaintiff's 15-day Rebuttal Period Ends | March 30, 2010 |

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

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>
