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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92051033
Party	Plaintiff Brunson Instrument Company
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of Registration No.: 3531432)	
Registration Date: November 11, 2008)	
Mark: SM)	
)	
BRUNSON INSTRUMENT COMPANY,)	
)	
Petitioner,)	Cancellation No. 92051033
)	
v.)	
)	
HUBBS MACHINE & MANUFACTURING, INC.,)	
)	
Registrant.)	

**PETITIONER’S RESPONSE TO RESPONDENT’S MOTION TO SUSPEND OR
DISMISS CANCELLATION PROCEEDING**

Petitioner Brunson Instrument Company (“Brunson”) submits the following response to the Motion of Hubbs Machine & Manufacturing, Inc. (“Hubbs”) to Suspend or Dismiss the instant cancellation proceeding (“Motion”). In the Motion, Hubbs asks the Board to suspend this proceeding because the parties’ pending litigation in federal district court involves some of the same issues as does this proceeding. As an initial matter, the Board is not required to suspend this proceeding: the Rules provide discretion for such a suspension, but does not make suspension mandatory. 37 C.F.R. §2.117(a); TBMP §510.02(a).

Further, however, this proceeding should not be suspended or dismissed because it presents a question of fact and law that TTAB is uniquely in a position to determine: whether the Respondent committed fraud on the PTO when it failed to notify the Board of the significance of the letters “SM,” which generically refer to sphere mount products. The TTAB may be the only tribunal in the nation that has decided that issue. For that reason alone, this proceeding should not be suspended or dismissed.

Contrary to Respondent’s position outlined in its Motion-- the TTAB’s expertise on issues of registration weighs in favor of allowing the cancellation proceeding to go forward. Brunson’s cancellation petition focuses not only on the issue of whether the mark SM is

generic or descriptive, but also on whether Hubbs procured the subject registration by fraud. As such, the cancellation petition presents a question that the TTAB is uniquely-qualified to address. The TTAB is accustomed to determining whether a registrant's behavior during the prosecution of a trademark application was appropriate, or, in this case, fraudulent. *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 U.S.P.Q.2d 1917, 2006 WL 173463 (TTAB 2006); *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46 (Fed. Cir. 1986); *Mister Leonard Inc. v. Jacques Leonard Couture Inc.*, 23 USPQ2d 1064, 1065 (TTAB 1992). For this reason, the doctrine of primary jurisdiction suggests that the TTAB should retain this case within its purview and determine it on its merits.

This question is not the same as determining priority of use, which requires examination and determination of likelihood of confusion issues. In such circumstances, the district court is equally as equipped as is the TTAB to determine likelihood of confusion issues, since the district courts are rife with infringement cases in which likelihood of confusion issues are resolved. But “the Lanham Act does not allow a federal court to determine preemptively how federal agency will interpret and enforce its own regulations.” *Summit Technology, Inc. v. High-Line Medical Instruments, Co.*, 933 F. Supp. 918, 933 (C.D. Cal. 1996). Every case Hubbs cited in its Motion involved only likelihood of confusion and priority issues: Hubbs cited no case in which the TTAB suspended a case in favor of federal court litigation when an issue of PTO procedure was at stake. In fact, some Board cases suggest the opposite: “If a district court action involves *only the issue of whether a mark is entitled to registration* ..., the doctrine of primary jurisdiction might well be applicable, despite the differences between the trademark registration scheme and other regulatory patterns. In such a case, the benefits of awaiting the decision of the PTO would rarely, if ever, be outweighed by the litigants' need for a prompt adjudication.” *Goya v. Tropicana Products, Inc.*, 846 F.2d 848, 853 (2nd Cir. 1988). That is exactly the case here: whether the Respondent's mark is entitled to registration.

Primary jurisdiction concerns factor heavily in the TTAB's decision about whether to suspend a proceeding. Here, infringement and likelihood of confusion are not at issue. Only the genericness or descriptiveness of Hubbs' alleged mark, and Hubbs' fraud in procuring its registration are at issue. And the TTAB has exclusive experience with that issue. Hubbs is correct that when the issues are likelihood of confusion and infringement, the district courts are just as qualified as is the TTAB to evaluate the facts and law. And that is what Hubbs' cited cases say. But no federal court has yet determined the fraud issue before the TTAB now. Primary jurisdiction concerns are peculiar to this case: the TTAB will hear an issue that only the TTAB has heard and decided before, and that involves a matter of PTO procedure. *See Nat'l Marketing Consultants, Inc. v. Blue Cross and Blue Shield Ass'n*, 1987 WL 20138 (N.D. Ill. 1987). *See also, Driving Force, Inc. v. Manpower, Inc.*, 498 F. Supp. 21, 25 (E.D. Pa. 1980) (TTAB "better equipped than are the district courts" to make determinations as to trademark registration), *abrogated on other grounds, A & H Sportswear, Inc. v. Victoria's Secret Stores*, 237 F.3d 198 (3rd Cir. 2000); *Nat'l Marketing Consultants, Inc.*, 1987 WL 20138 at *2 (citations omitted).

In this case, deferring the analysis of Hubbs' activities during the trademark prosecution process to the TTAB is appropriate, since the TTAB is in a better position than is the court to determine matters of PTO procedure. And, as the *National Marketing Consultants* court observed, "the TTAB's determination will be a material aid in ultimately deciding the remaining issues in [the federal] case." *Id.* In this case, the TTAB's determination of whether Hubbs' registration is valid will materially assist the district court in determining what, if any, rights Hubbs owns, and what rights, if any, can be the basis for infringement claims.

The viability of Hubbs' mark is a central issue that will affect all other issues between the parties. If Hubbs' registration is cancelled because it was procured by fraud, then the scope of the litigation in federal court will be significantly narrowed, and indeed, few, if any, issues may remain to be adjudicated in that case. Accordingly, Brunson proposes that the

TTAB should allow the cancellation proceeding to move forward so that the federal court can be guided by the TTAB's decision in this matter.

Contrary to Hubbs's assertion, nothing says the TTAB's decision to cancel a registration cannot bind the federal court. Indeed, once a registration is cancelled on grounds of fraud, it is as if the registration never issued. *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 U.S.P.Q.2d 1917, 2006 WL 173463 (TTAB 2006). Hubbs's remedy would be appeal to the Federal Circuit, not seek a different remedy in another forum.

While the infringement issues also pending in the district court action cannot be determined by the TTAB in this proceeding, those issues may be significantly narrowed, if not extinguished, by the TTAB's decision. Thus, judicial economy favors proceeding with the cancellation action in the TTAB, because doing so will drastically tailor the issues the parties will need to litigate at trial in the district court.

Hubbs also asks the Board to dismiss this action on the basis that the Petition to Cancel fails to state a claim, apparently with respect to Brunson's allegation that the term "SM" is generic of Hubbs's products. In support of this request for dismissal, Hubbs offers a single sentence: "Brunson provides insufficient factual allegations to plausibly support its petition for cancellation." Motion at p. 2. Especially given the broad notice pleading standard adopted by the TTAB, Brunson's allegations are more than sufficient to withstand dismissal. Brunson alleged that the term "SM" refers to "sphere mount," and that "sphere mount" is a type of product that both Brunson and Hubbs, and others in their industry, sell. Therefore, the legal conclusion must be that "SM" answers the question "what is it," which is the benchmark for determining whether a mark is generic. No further allegations are required.

Hubbs also asserts that the Petition to Cancel should be dismissed for failure to state a claim, with respect to Brunson's claim that Hubbs has not used its alleged mark in commerce. Hubbs misses the point. Brunson's allegation is that Hubbs's specimen does not in fact show use in commerce: it shows the letters "SM" embedded within a part number, affixed to

packaging that reaches the consumer long after purchase. Such “use” cannot be the basis of a registration. *See In re Supply Guys, Inc.*, 86 U.S.P.Q.2d 1488 (T.T.A.B. 2008). Had Hubbs notified the Trademark Office of the significance of its mark, the Trademark Office would never have registered it. And had Hubbs notified the Trademark Office of the nature of its “use” of the mark, its specimen would not have been accepted. Simply stating that Brunson’s Petition to Cancel fails to state a claim does not make it so: Hubbs has brought forth no reasonable argument that it is entitled to dismissal for failure to state a claim, and for that reason, the Motion should be denied as to those points as well.

For all of the foregoing reasons, Brunson respectfully prays for the Board’s order denying Hubbs’s Motion to Suspend or Dismiss, and for such other and further relief as this Board deems just and proper.

Respectfully Submitted,

SONNENSCHN NATH & ROSENTHAL LLP

Date: July 28, 2009

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CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing Response to Motion to Suspend or Dismiss to be served upon:

Hubbs Machine & Manufacturing, Inc.

c/o Paul M. Denk

763 S New Ballas Rd., Ste. 170

St. Louis, MO 63141-8711

by placing same in an envelope, properly sealed and addressed, with postage prepaid and depositing same with the United States Postal Service on this 28th day of July, 2009

/s/ Rebecca Stroder

Rebecca Stroder, Attorney for Petitioner

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ESSTA on July 28, 2009