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

Proceeding	92051033
Party	Defendant Hubbs Machine & Manufacturing Inc.
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Attachments	Hubbs reply to Brunson response opposing motion.pdf (5 pages)(90501 bytes)

**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.,)	
)	
Respondent)	
)	

**RESPONDENT’S REPLY TO PETITIONER’S RESPONSE TO RESPONDENT’S
MOTION TO SUSPEND**

Respondent Hubbs Machine & Manufacturing, Inc. (“Hubbs”) submits the following reply to the response of Brunson Instrument Company (“Brunson”) in opposition to Hubbs’ Motion to Suspend or Dismiss this cancellation proceeding. In the response, Brunson requests an order denying Hubbs’ Motion to Suspend or Dismiss.

Brunson seeks to convince the TTAB to deny Hubbs’ motion to because the instant case presents a unique issue, i.e. fraud in procurement, whose adjudication lies outside the normal competence of the district court. The elements of fraud, however, can be decided by the court. Though Brunson suggests that the TTAB is uniquely qualified to decide what is fraud, courts in many cases have ruled on alleged fraud in procurement of a trademark registration. *See, e.g. Wrist-Rocket Mfg. Co., Inc. v. Saunders Archery Co.*, 516 F.2d 846 (8th Cir. 1975), *Money Store v. Harriscorp Finance, Inc.*, 689 F.2d 666 (7th Cir. 1982), *San Juan Products, Inc. v. San Juan Pools of Kansas, Inc.*, 849 F.2d 468 (10th Cir. 1988), and *Country Mut. Ins. Co. v. American Farm Bureau Federation*, 876 F.2d 599 (7th Cir. 1989)[PTO proceeding suspended and fraud claim unripe].

Brunson suggests that primary jurisdiction favors an administrative agency. The doctrine of primary jurisdiction, however, deals with the exercise of judicial self-restraint.

Black's Law Dictionary 826 (6th ed. 1991). The doctrine involves a court's decision whether to defer to the expertise of an administrative agency on issues of fact not within a judge's conventional experience. *Far E. Conference v. United States*, 342 U.S. 570, 574 (1952). Although the doctrine continually evolves, and its exercise varies among the circuits, one aspect of the doctrine has remained constant: the decision to defer rests with the court, not with the administrative agency. In any event, the Board's decision to suspend has no effect on the district court's ability to invoke primary jurisdiction. *See Nat'l Mktg. Consultants, Inc. v. Blue Cross and Blue Shield Ass'n*, 1987 WL 20138 at *3 (N.D. Ill. Nov. 19, 1987). A court is well-qualified to decide the question of primary jurisdiction.

Brunson insists that, because the TTAB is accustomed to determining whether a registrant's behavior was fraudulent, the doctrine of primary jurisdiction suggests that the TTAB should not suspend proceedings in the instant case. However, "[t]he weight of authority indicates that (primary jurisdiction) is not normally applied in cases where questions of trademark validity... are involved." *W&G Tenn. Imports v. Esselte Pendaflex*, 769 F.Supp. 264 (M.D. Tenn. 1991) (citing cases).

Although Brunson selected for its motion quotations from court opinions, a thorough reading of the opinions reveals that primary jurisdiction does not apply in this cancellation proceeding. Brunson includes a quotation from *Goya v. Tropicana Products, Inc.*, 846 F.2d 848 (2nd Cir. 1988). The quotation states that primary jurisdiction may be applicable if the district court action involves solely the issue of entitlement of a mark to registration. Brunson's Response to Motion to Suspend, p. 2. The next sentence in the opinion, however, reads "[b]ut where, as in the pending case, a district court suit concerns infringement, the interest in prompt adjudication far outweighs the value of having the views of the PTO." *Goya*, 846 F.2d at 853-54. Indeed, the *Goya* opinion makes a particularly compelling argument against the application of primary jurisdiction in trademark cases.

Brunson's quote from *Summit Tech., Inc. v. High-Line Medical Instruments*, 933 F. Supp. 918, 933 (C.D. Cal. 1996) came from a case in which the plaintiff was found to be attempting to privately enforce FDA regulations by use of the Lanham Act, far different from this trademark infringement case. Brunson's Response to Motion to

Suspend, p. 2.

Brunson incorrectly asserts that judicial economy will be served by maintaining the cancellation proceeding. Regardless of the outcome of the cancellation proceeding, several issues, including infringement and unfair competition, call for a decision by the district court. If the outcome of the civil action precludes further cancellation proceedings, there will be no concern of a further burden to the docket of any court. Also, Brunson delayed filing a petition for cancellation until nearly a month after Hubbs had initiated the civil action.

Hubbs asserts that primary jurisdiction does not apply in this case, that both the TTAB and the court may decide issues of fraud, and that judicial economy will be served by the TTAB's suspension of cancellation proceedings.

Though the PTO registered Hubbs' SM mark, Brunson still claims that the specimen supplied by Hubbs to the PTO does not show use in commerce. In its response, Brunson refers to *In re Supply Guys, Inc.*, 86 U.S.P.Q.2d 1488 (T.T.A.B. 2008), an appeal from refusal of an application for trademark registration. The applicant had attempted to register the mark LEADING EDGE TONERS for printing supplies, submitting as a specimen of use a FedEx label with the term "Leading Edge Toners" in the return address. *Id.* at 1489. The examining attorney refused registration on the ground that the specimen did not indicate use of the mark in commerce. *Id.* Unlike the instant case, the mark in *Supply Guys* did not achieve registration, but rather LEADING EDGE TONERS was ruled to have been used as a trade name. Unlike the FedEx label in *Supply Guys*, the labels applied to Hubbs' products and packaging are clearly within the parameters of the TMEP: "where the trademark is applied to the goods or the containers for the goods by means of labels, a label is an acceptable specimen." TMEP § 904.03(a) (5th ed.). Hubbs asserts that its specimen did demonstrate use in commerce according to PTO rules.

Hubbs therefore respectfully requests that the TTAB grant its motion to suspend this cancellation proceeding pending the outcome of the action in district court, or in the alternative, that the Board dismisses this proceeding for failure to state a cause of action.

Dated: August 17, 2009

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on August 17, 2009 the foregoing, Reply to Petitioner's Response to Respondent's Motion to Suspend, was served by first class mail upon the following:

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