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

MBA

Mailed: April 20, 2010

Cancellation No. 92051532

PictureCode, LLC

v.

Juan B. Melendez III

Michael B. Adlin, Interlocutory Attorney:

This case now comes up for consideration of petitioner's "*ex parte* application,"[1] filed April 8, 2010, to: (1) modify the Board's standard protective order which governs this proceeding by operation of Trademark Rule 2.116(g); and (2) suspend this proceeding in favor of a pending federal civil action between the parties herein (PictureCode, LLC v. Digital Ninja, LLC and Juan B. Melendez III, Case No. 1:10-cv-00188-LY, pending in the U.S. District Court for the Western District of Texas)(the "Federal Case"). The motion is fully briefed.[2] In addition, on

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[1] The Board does not allow or recognize *ex parte* applications. However, opposer's application in this case is substantively no different than a motion, and is therefore construed and ruled on as such herein.

[2] Respondent's "Objection," filed April 16, 2010, is essentially a surreply and has therefore been given no consideration. Guthy-Renker Corp. v. Boyd, 88 USPQ2d 1701, 1702 (TTAB 2008); TBMP § 502.02(b)(2d ed. rev. 2004).

April 12, 2010, respondent filed a motion to compel and a motion for summary judgment.

Background

Respondent owns a registration of DIGITAL NINJA, in standard characters, for software, video games, CDs, DVDs and related products (the "Registration").[3] In its first amended petition for cancellation in this proceeding, petitioner alleges prior use of, and ownership of pending applications for, NOISE NINJA[4] and PHOTO NINJA[5] for software, and that its application to register PHOTO NINJA has been refused under Section 2(d) based on the Registration. As grounds for cancellation, petitioner alleges fraud, non-use, abandonment and likelihood of confusion. In his answer, respondent denies the salient allegations in the first amended petition for cancellation.

In the Federal Case, petitioner herein is the plaintiff, and therein also alleges prior use of, and ownership of pending applications for, NOISE NINJA and PHOTO NINJA for software, and that its applications have been refused under Section 2(d) based on the Registration. Petitioner's claims in the Federal Case are the same as those here, i.e. fraud, non-use, abandonment and priority

[3] Registration No. 3321797, issued October 23, 2007 from an application filed July 26, 2006, with DIGITAL disclaimed, based on a claimed date of first use in commerce of August 12, 2003.
[4] Application Serial No. 77792169.
[5] Application Serial No. 77710439.

and likelihood of confusion. In the Federal Case, as here, petitioner specifically requests cancellation of the Registration. Respondent's Answer in the Federal Case, if any, is not of record.

Petitioner's Motion to Suspend

Petitioner "seeks a stay of the instant cancellation proceeding to allow all issues to be decided in the" Federal Case. Petitioner argues that "it would be a more efficient use of resources to stay this action and allow" the Federal Case to proceed.

Respondent argues that a suspension "would deny due process," but does not explain how. Respondent also argues that petitioner should have filed the Federal Case before this one, and that the Board "is better suited … to decide the validity of the Petitioner's cancellation claims and render judgment." That is, respondent claims that the federal Court "does not maintain the entire procedural history associated with these proceedings or the technological fluidity to which the TTAB provides in deciding matters of trademarks." Respondent appears to suggest that if this proceeding is suspended, "the process would begin anew" after the Federal Case terminates.[6]

[6] Petitioner filed a reply brief in which it essentially restates its original arguments.

The Board's well-settled policy is to suspend proceedings when the parties are involved in a civil action which may be dispositive of or have a bearing on the Board case. Trademark Rule 2.117(a); General Motors Corp. v. Cadillac Club Fashions Inc., 22 USPQ2d 1933, 1937 (TTAB 1992). Here, it is clear that the Federal Case may at the very least have a bearing on this one.

Indeed, in the Federal Case, as here, petitioner seeks cancellation of the Registration. In the Federal Case, as here, petitioner pleads ownership and prior use of NOISE NINJA and PHOTO NINJA, and argues that the Registration should be cancelled based on fraud, non-use, abandonment and likelihood of confusion. Essentially, petitioner's claims in the Federal Case are similar or identical to its claims in this proceeding.

Respondent's arguments against suspension are unavailing. Parties to federal actions are provided due process. While respondent's argument that petitioner should have decided to seek relief in federal court before filing its petition for cancellation here is well-taken, that does not change the fact that the Federal Case may have a bearing on this one. The Board is no better-suited to decide whether the Registration should be cancelled than the federal Court. Indeed, federal courts routinely decide whether marks should be or remain registered. Perhaps most

importantly, the Court's decision(s) on these issues may very well be "binding upon the Board, while the decision of the Board is not binding upon the court." TBMP § 510.02(a) (2d ed. rev. 2004); see also, The Other Telephone Co. v. Connecticut National Telephone Co., Inc., 181 USPQ 779 (Comr. 1974); Whopper-Burger, Inc. v. Burger King Corp., 171 USPQ 805 (TTAB 1971). Therefore, it is highly unlikely that this proceeding will have to "begin anew" after the Federal Case is terminated. For all of these reasons, opposer's motion to suspend is hereby **GRANTED**.

Motion to Modify Protective Order

Because this proceeding is now suspended pending resolution of the Federal Case, petitioner's motion to modify the protective order will be given no consideration. Petitioner should seek modification of the protective order from the federal Court, which will be able to most effectively and efficiently determine whether Paragraph 11 and/or other provisions of the protective order should be modified, and if so, how. See generally, Miscellaneous Changes to Trademark Trial and Appeal Board Rules," 72 Fed. Reg. 42242, 42250-51 (August 1, 2007).[7]

[7] It appears that the Court's determination of any motion to modify the protective order is likely to affect only the timing, and not the substance, of the Federal Case. That is, it is presumed that if modification is denied, petitioner will be entitled to serve discovery requests in the Federal Case which are similar or identical to those served in this proceeding, and

Motions to Compel and for Summary Judgment

In light of the suspension, respondent's motions to compel and for summary judgment will also be given no consideration at this time. In the event this proceeding resumes, and if appropriate at that time, respondent may refile either or both motions, as necessary.

Conclusion

Petitioner's motion to suspend is granted and the parties' remaining motions will be given no consideration. Proceedings herein are suspended pending final disposition of the Federal Case. Within twenty days after the final determination of the Federal Case, the parties shall so notify the Board and call this case up for any appropriate action. During the suspension period the Board shall be notified of any address changes for the parties or their attorneys.

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respondent's responses thereto will presumably be similar or identical to its responses in this case.