

This Decision 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

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Mailed: March 13, 2012

Cancellation No. **92052150**

Wonderbread 5

v.

Patrick Gilles

Before Grendel, Wellington and Kuczma,
Administrative Trademark Judges

By the Board:

This case now comes up on petitioner's motion for summary judgment (filed July 30, 2010) on its claims of fraud and priority/likelihood of confusion.¹ The motion is fully briefed.²

¹ Although the ESTTA cover sheet accompanying the petition for cancellation also alleges deceptiveness under Section 2(a) of the Trademark Act, that claim is not addressed by the motion for summary judgment. Indeed, in reviewing the petition for cancellation, we find that the claim of deceptiveness has not been properly pled. A showing of deceptiveness under Section 2(a) must demonstrate (1) that the mark misdescribes the character, quality, function, composition or use of the goods/services, (2) that prospective purchasers are likely to believe that the misdescription actually describes the goods/services, and (3) that the misdescription is likely to affect the decision to purchase. See *Hoover Co. v. Royal Appliance Mfg. Co.*, 57 USPQ2d 1720, 1723 (Fed. Cir. 2001). Petitioner has failed to plead any of these elements and therefore petitioner's claim of deceptiveness will be given no further consideration.

² Prior to full briefing of the motion for summary judgment, respondent sought discovery under Fed. R. Civ. P. 56(d) (formerly Fed.

A party is entitled to summary judgment when it has demonstrated that there is no genuine dispute as to any material fact, and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a). The evidence must be viewed in a light favorable to the nonmoving party, and all justifiable inferences are to be drawn in the nonmovant's favor. *Opryland USA Inc. v. The Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992).

The basis of petitioner's motion is that respondent gave up all right or interest in the WONDERBREAD 5 mark by virtue of a settlement entered into by the parties which resulted in respondent agreeing to a dismissal with prejudice of a related civil action and that, notwithstanding this settlement, respondent fraudulently procured the involved registration for the WONDERBREAD 5 mark. Petitioner further argues that "[b]ecause Registrant no longer has any interest in the band name or any right to perform under the band name and because any use by Registrant of the Mark individually post-dates the Band's use of the Mark, Registrant's registration should be cancelled on the grounds that it is identical to a mark previously used and not abandoned by Petitioner." *Motion for Summary Judgment*, p. 10.

Petitioner also argues that respondent is judicially estopped from asserting a position contradictory to that

R. Civ. P. 56(f)) by way of motion which was fully briefed and resolved

taken in the prior civil action and that "Respondent must be bound in this action by the admissions in his state court complaint." *Id.*, p. 6.

In response, respondent argues that he "brought suit against several of the members of ... Petitioner for wrongful termination, breach of contract, and other allegations concerning his termination," that "none of the claims [in the civil action] involved intellectual property rights," that "the only relief requested by Registrant was for monetary relief" and that "the terms of the settlement were never reduced to writing." *Opposition to Summary Judgment*, p. 12. Respondent submitted an affidavit and avers that "[t]he California civil case settlement was for lost wages incurred as a result of not receiving income from lost work due to being kicked out of the band." *Affidavit of Patrick Gilles*, ¶ 13.

As we are bound, on summary judgment, to view the evidence in a light favorable to the nonmoving party, and to draw all justifiable inferences in the nonmovant's favor, we find that there is a genuine dispute concerning, *inter alia*, the terms of the alleged settlement agreement and its impact, if any, on the respective rights of the parties vis-à-vis the mark WONDERBREAD 5. Because the effect of any settlement agreement is tied to petitioner's claims of priority and

fraud, this, of course, precludes us from finding that petitioner has demonstrated the absence of a genuine dispute so as to grant judgment in its favor on its claims.

Further, to the extent that we are asked to apply the doctrine of judicial estoppel to essentially "fill in the blanks" of the settlement agreement between the parties and thereby find that respondent has no rights in the WONDERBREAD 5 mark, we do not find the doctrine applicable in this proceeding. In *Boston Chicken Inc. v. Boston Pizza International Inc.*, 53 USPQ2d 1053, 1055 (TTAB 1999), the Board outlined the circumstances under which judicial estoppel would apply in proceedings before the Board:

In determining whether judicial estoppel will lie, the following factors are considered: (1) judicial acceptance of the previously asserted inconsistent position; (2) risk of inconsistent results; (3) effect of the pleading party's actions on the integrity of the judicial process; and (4) perception that the tribunal has been misled. *Water Technologies Corp. v. Calco Ltd.*, 850 F.2d 660, 665-66, 7 USPQ2d 1097, 1101 (Fed. Cir. 1988); *Hybritech Inc. v. Abbott Lab.*, 849 F.2d 1446, 1454, 7 USPQ2d 1191, 1198 (Fed. Cir. 1988). The Federal Circuit also requires (5) reliance by the opposing party and (6) prejudice to the opposing party's case as a result of the inconsistent position. See *Jackson Jordan [sic], Inc. v. Plasser American Corp.*, 747 F.2d 1567, 1579-80, 224 USPQ 1, 10 (Fed. Cir. 1984). Most importantly, (7) the party against whom estoppel is invoked must have received some benefit from the previously taken position, *i.e.*, won because of it. See *Hartley v. Mentor Corp.*, 869 F.2d 1469, 10 USPQ2d 1138 (Fed. Cir. 1989), *citing with approval Jackson Jordan, supra; Kraft, Inc. v. U.S.*, 30 Fed. Cl. 739, 763 (Ct. Cl. 1994).

Here, the parties entered into a settlement agreement pursuant to which respondent agreed to have the California civil action dismissed with prejudice. Respondent filed form CIV-110 directing the clerk of the court to dismiss the Superior Court action with prejudice and by which the clerk dismissed the action. Under such circumstances, there has been no judicial reliance or acceptance of a previously asserted inconsistent position upon which to entertain the application of the judicial estoppel doctrine. Indeed, a settlement neither constitutes a judicial decision nor judicial acceptance of a prior inconsistent position upon which a claim of judicial estoppel can be based. *See Water Technologies Corp. v. Calco, Ltd.*, 850 F.2d 660, 665-66, 7 USPQ2d 1097, 1101 (Fed. Cir. 1988) (finding judicial estoppel unwarranted where prior proceedings were settled and not decided); *citing Edwards v. Aetna Life Ins. Co.*, 690 F.2d 595, 599 (6th Cir. 1982) ("If the initial proceeding results in settlement, the position cannot be viewed as having been successfully asserted" and estoppel is inapplicable) and *Konstantinidis v. Chen*, 626 F.2d 933, 939 (D.C. Cir. 1980) ("A settlement neither requires nor implies any judicial endorsement of either party's claims or theories, and thus a settlement does not provide the prior success necessary for judicial estoppel").

In view thereof, petitioner's motion for summary judgment is **DENIED**.³ Proceedings are **RESUMED** in accordance with the following schedule:

Expert Disclosures Due	5/23/2012
Discovery Closes	6/22/2012
Plaintiff's Pretrial Disclosures Due	8/6/2012
Plaintiff's 30-day Trial Period Ends	9/20/2012
Defendant's Pretrial Disclosures Due	10/5/2012
Defendant's 30-day Trial Period Ends	11/19/2012
Plaintiff's Rebuttal Disclosures Due	12/4/2012
Plaintiff's 15-day Rebuttal Period Ends	1/3/2013

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

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³ The parties are reminded that evidence submitted in support of or in opposition to a motion for summary judgment is of record only for consideration of that motion. Any such evidence to be considered at final hearing must be properly introduced during the appropriate trial period. See, for example, *Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993).