

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

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Mailed: September 26, 2012

Cancellation No. 92054966

Scott R. Smith

v.

Cook Collection Attorneys,  
P.L.C.

**Before Bucher, Kuhlke, and Taylor, Administrative Trademark  
Judges:**

**By the Board:**

This case comes up on petitioner's withdrawal of the petition to cancel without prejudice, and respondent's motion for a prefiling order, a remedy not available from the Board, which we will construe as a motion for judgment as a sanction, namely dismissal of the petition to cancel with prejudice.

The motion is contested.

**BACKGROUND**

Cook Collection Attorneys, P.L.C. owns Registration No. 3257604, which issued July 3, 2007 for the mark SQUEEZE BLOOD FROM TURNIP.COM for "clothing, namely, t-shirts."

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On December 20, 2011, Scott R. Smith filed a petition to cancel Registration No. 3257604. In lieu of an answer, on December 30, 2011, respondent filed a combined motion to dismiss the petition to cancel asserting that petitioner lacked standing to bring his claims, and for "entry of prefiling order" seeking to bar petitioner from filing any inter partes proceeding against respondent's marks based on the alleged filing of "four meritless petitions."

On January 26, 2012, petitioner withdrew the petition to cancel without prejudice.

On January 30, 2012, respondent filed the "second motion for entry of prefiling order" seeking to bar petitioner from filing any inter partes proceeding against respondent's marks.

The motion to dismiss now is moot in view of the withdrawal of the petition to cancel. We address the remaining issues below.

INJUNCTIVE RELIEF NOT AVAILABLE

Federal courts possess inherent power to issue prefiling orders, or "narrowly tailored orders enjoining repeatedly vexatious litigants from filing suit without permission from the court." Wright, Miller, Kane and Marcus 5 Fed. Prac. & Proc. Civ. § 2942 (3d ed., updated April 2012). However, the Board is not a federal court but an administrative tribunal of limited jurisdiction. Trademark Trial and Appeal Board Manual

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of Procedure (TBMP) § 102.01 (3rd ed., rev. 2012). The prefiling order sought by respondent has no applicability in inter partes proceedings before the Board, which involve only the issue of registrability of a mark. *General Mills Inc. v. Fage Dairy Processing Industry SA*, 100 USPQ2d 1584, 1591 (TTAB 2011) (Board has no authority to determine the right to use, or the broader questions of infringement, unfair competition, damages or injunctive relief). Accordingly, respondent's motions for a prefiling order which bars petitioner from filing any inter partes proceedings against respondent's marks are denied.

RESPONDENT'S MOTION FOR SANCTIONS

Respondent's motion is founded on the allegation that petitioner "filed a total of four meritless petitions," referring to petitioner's two petitions to cancel third-party Entrepreneur Media Inc.'s (or EMI) registrations (Cancellation Nos. 92053724 and 92053982) and two petitions to cancel respondent's registrations (this proceeding and Cancellation No. 92054970). Both the petition to cancel and respondent's motion explain that petitioner and third-party EMI have a long-standing trademark dispute, that EMI was awarded damages from petitioner in a civil action, and that EMI hired respondent to collect the damages from petitioner.

As the respondent in the two petitions to cancel, EMI did not allege misconduct by petitioner and did not retain this respondent to represent its interest in its two proceedings with petitioner. Moreover, there was no finding that the petitions filed against EMI were meritless. In Cancellation No. 92053724, the Board granted summary judgment for EMI and dismissed the cancellation with prejudice. In Cancellation No. 92053982, the Board granted EMI's motion to dismiss the petition with prejudice.<sup>1</sup> A petition to cancel is not meritless if it is merely insufficiently pleaded or ultimately denied; a petition to cancel is meritless if it is shown to be frivolous or filed for improper purposes. See Fed. R. Civ. P. 11 (b)(1)-(2) (parties must file pleadings "not being presented for any improper purpose ... [and] the claims, defenses, and other legal contentions are warranted by existing law or by a nonfrivolous argument for extending, modifying, or reversing existing law or for establishing new law").

With respect to Cancellation No. 92054970, the other proceeding between petitioner and respondent, respondent's motion is inapposite as filed in this case and, moreover,

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<sup>1</sup> The Board's decisions are not final, and the district court appeals filed by petitioner remain pending.

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untimely. In Cancellation No. 92054970, petitioner sought to cancel respondent's Registration No. 3414311 for the mark COOK for legal services. The petition to cancel was filed three days after the petition in this proceeding, and respondent filed a motion to dismiss each petition on the same day. In the other case, as in this proceeding, in lieu of responding to the motion, petitioner filed a withdrawal of the petition to cancel without prejudice. However, respondent did not, in the other proceeding, object to the withdrawal or seek sanctions, and on February 21, 2012, the Board dismissed Cancellation No. 92054970 without prejudice. As with the proceedings against EMI, there was no finding that the petition to cancel was meritless, and insofar as respondent now moves for review of petitioner's petition or withdrawal in that terminated proceeding, the motion is denied as untimely.

Accordingly, the Board would not issue the requested injunctive relief even if it had the power to enjoin parties, or consider petitioner's actions in other proceedings as a basis for sanctions in this proceeding, but will address whether petitioner's conduct in this proceeding warrants entry of judgment. Respondent's first motion sought the prefiling order based on "inequitable, wrongful, and malicious conduct" involved in filing

meritless petitions to cancel. The second motion addresses the same conduct plus the voluntary withdrawal of the petition, and relies on "the law of malicious prosecution or Rule 11" as its basis. We address the different bases for sanctions below.

Judgment as Fed. R. Civ. P. 11 Sanction Denied

Fed. R. Civ. P. 11(c) states "If, after notice and a reasonable opportunity to respond, the court determines that Rule 11(b) has been violated, the court may impose an appropriate sanction on any attorney, law firm, or party that violated the rule or is responsible for the violation." There is no allegation or evidence that respondent complied with the "safe harbor" provisions of Fed. R. Civ. P. 11, and provided petitioner with an opportunity to withdraw the petition to cancel with prejudice before seeking sanctions. See *Baron Philippe de Rothschild S.A. v. Styl-rite Optical Mfg. Co.*, 55 USPQ2d 1848, 1848 n. 2 (TTAB 2000) ("Rule 11(c)(1)(A) provides specific instructions in how to initiate a motion under this rule, and requires service of a proposed motion upon the party against whom the misconduct is alleged 21 days before the motion is filed."). Accordingly, respondent's motion for judgment as a sanction pursuant to Fed. R. Civ. P. 11 is denied.

Judgment as Sanction for Malicious Prosecution or Inequitable Conduct Denied

As set forth above, petitioner filed a withdrawal of his petition to cancel in lieu of a response to the motion to dismiss, and thus the Board did not address the legal sufficiency of the petition, or respondent's arguments regarding petitioner's standing. In support of its motion for judgment as a sanction for petitioner filing a meritless petition to cancel, respondent maintains that petitioner has conceded that the petition is without merit. More specifically, respondent argues:

Under the law of malicious prosecution or Rule 11, the filing of a dismissal of a complaint by a plaintiff in the face of a Rule 12(b)(6) motion, or state law demurrer, generally constitutes an admission that the dismissal or demurrer is well taken. This rule likewise would apply before the TTAB, and the inference is that the motions brought by the Respondent to dispose of these petitions would have been granted, and granted without leave to amend.

This argument flies in the face of Board practice, and is not supported by either the legal doctrine cited by respondent or any equitable considerations. Trademark Rule 2.114(c) specifies "The petition for cancellation may be withdrawn without prejudice before the answer is filed." The rule does not change if the withdrawal follows defendant's adverse motion. See TBMP § 601.03 (3<sup>rd</sup> ed., rev. 2012) ("When a plaintiff unilaterally withdraws its complaint prior to

answer, in the face of a defendant's pending motion for judgment, the proceeding will be dismissed without prejudice (unless plaintiff specifies that it is withdrawing with prejudice), and the pending motion will be declared moot.").

The Board's rule does not conflict with the law on malicious prosecution claims. Contrary to respondent's position, neither federal nor state malicious prosecution decisions treat a withdrawal of a complaint, without more, as a concession that the complaint lacks merit. In fact, withdrawal of the complaint is only one of the factors considered in determining a claim of malicious prosecution. "A complaint for malicious prosecution must allege malice and want of probable cause, or statements from which they may be inferred, as well as the termination of the criminal or civil proceedings in the plaintiff's favor." Wright, Miller, Kane and Marcus 5 Fed. Prac. & Proc. Civ. § 1246 (3d ed., updated April 2012). The California state cases quoted by respondent contradict respondent's assertion that a withdrawal of a complaint is a concession on its merits. See *Rena v. Rigel USA, Inc.* (Cal. Ct. App. July 21, 2010 B217613) 2010 WL 2840067 ("A voluntary dismissal may be an implicit concession that the dismissing party cannot maintain the action and may constitute a decision on the merits. It is not enough, however, merely to show that the proceeding was dismissed.").

Because petitioner has not conceded that its petition was meritless, we turn to the petition itself to determine if, as respondent contends, petitioner's lack of standing warrants entry of judgment as a sanction. The plaintiff in a Board inter partes proceeding pleads standing to bring a Trademark Act Section 2(a) claim if he pleads "both a real interest in the proceedings and a reasonable basis for a belief that he would be damaged by its registration." *Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed. Cir. 1999). Methods establishing the reasonableness of belief of damage for purposes of standing include plaintiff's allegation that he possesses a trait or characteristic that is clearly and directly implicated in the proposed mark, and the allegation that others also share the same belief of harm from the proposed trademark." *Id.* at 1098.

The petition to cancel alleges that petitioner filed personal bankruptcy (Petition ¶8), that in "its efforts to harass and seize assets from Smith, Cook Collection has mailed numerous envelopes to Smith that prominently display the Squeezeblood Mark" (Petition ¶26), that respondent uses the mark "to send a message that [respondent] is willing and able to go far beyond what is ethical or reasonable in order to seize someone's assets" (Petition ¶38); that petitioner finds respondent's mark to be "threatening,

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intimidating, pejorative, derogatory, denigrating, offensive, contemptuous, disreputable, disparaging, shocking to the sense of decency or propriety, and immoral or scandalous" (Petition ¶11), and that a substantial composite of individuals and organizations facing collection would also find use of the SQUEEZE BLOOD FROM TURNIP.COM mark by a collection firm to be immoral or scandalous (Petition ¶31).

This pleading is sufficient to avoid sanctions. To be clear, we are not deciding the legal sufficiency of the pleading as a whole. Respondent simply has not demonstrated that the petition to cancel is frivolous or brought for an improper purpose.

Respondent's motion for judgment as a sanction is DENIED.

In view of petitioner's withdrawal before an answer was filed, the petition to cancel is dismissed without prejudice.

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