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TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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BUO

Mailed: February 25, 2016

Cancellation No. 92057941

Clockwork IP, LLC

v.

Barnaby Heating & Air

Before Seeherman, Taylor, and Shaw,
Administrative Trademark Judges.

By the Board:

This case comes up on the following motions:

- 1) Petitioner's motion to withdraw William N. Federspiel as its counsel of record in this proceeding;
- 2) Petitioner's motion for entry of discovery sanctions against Respondent in the form of judgment;
- 3) Petitioner's motion for summary judgment on its fraud claim;
- 4) Respondent's cross-motion for summary judgment on its affirmative defenses, particularly failure to state a claim, laches, and acquiescence;
- 5) Respondent's motion to withdraw admissions;
- 6) Respondent's motion to strike evidence from Petitioner's motion for summary judgment; and
- 7) Petitioner's motion to strike the supplemental declaration of Respondent's principal, as submitted with Respondent's reply brief on its cross-motion for summary judgment.

The motion for sanctions, both motions for summary judgment and Petitioner's motion to strike have all been fully briefed.

Background

On September 27, 2013, Clockwork IP, LLC (“Petitioner”) filed a petition to cancel Registration No. 3618331, owned by Barnaby Heating & Air (“Respondent”), for the mark COMFORTCLUB, in standard character format.¹ As grounds for cancellation Petitioner alleged likelihood of confusion under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), and fraud on the USPTO.

Petitioner, on June 4, 2014, served Respondent with a first set of discovery requests, consisting of 90 document requests, 27 interrogatories and 45 requests for admission. However, Respondent alleges that it did not receive service of Petitioner’s discovery requests until June 30, 2014. 13 TTABVUE 80. Respondent alleged in an email to Petitioner that “through no fault of [Petitioner’s], or [Respondent’s counsel], the envelope was delivered to another mailbox holder in [Respondent’s counsel’s] suite.” *Id.* The parties subsequently agreed to an extension of Respondent’s time to serve its responses to the propounded discovery, until July 15, 2014. *Id.* at 97. Respondent did in fact serve its responses to the first set of requests on that date. However, Petitioner, in a letter dated September 10, 2014, informed Respondent of certain deficiencies and inappropriate objections in the responses, outlining the discovery requests that required supplementation. In addition to several interrogatories which Petitioner contended were insufficiently answered and many that included inappropriate objections, such as undue burden,

¹ Issued May 12, 2009, from an application filed March 13, 2008, for “[p]repaid preventive maintenance service plans for heating, ventilating and air conditioning systems,” in International Class 36. Respondent’s declaration of use under Trademark Section 8 was accepted on May 11, 2015.

irrelevancy and that certain interrogatories were “premature until additional discovery is conducted,” Petitioner also noted that Respondent had not produced any responsive documents. 13 TTABVUE 104, 167, 171 and 173. Petitioner also noted that Respondent had raised objections to each of the discovery requests based upon untimeliness, now alleging that it had not received the requests until July 2, 2014. This was followed by email correspondence on September 11, 12 and 16, 2014, further outlining the deficiencies and seeking supplementation, including a request by Petitioner for a telephone conference with Respondent. *Id.* at 135-138. The parties subsequently held the telephone conference and agreed to a further extension of time to Thursday, September 24, 2014, for Respondent to serve supplemental responses.

However, Respondent did not file its supplemental responses until Friday, September 25, 2014. Beyond being untimely, Petitioner also noted that, although many responses had been sufficiently amended, “the majority of the Amended Response consisted of the same objections and non-responses as contained in Respondent’s original response.” 13 TTABVUE 6. Additionally, Petitioner indicated that Respondent had finally served, but nonetheless failed to fully produce responsive documents.

On November 6, 2014, Petitioner filed a motion to compel responses to its outstanding discovery requests. Having received no response in opposition from Respondent, the Board granted Petitioner’s motion as conceded and ordered Respondent to serve responses to the discovery requests at issue without objection

on the merits within thirty days, *i.e.*, by April 10, 2015. In its order, the Board informed Respondent that failure to comply with the Board's order might result in the entry of sanctions against it pursuant to Trademark Rule 2.120(g) and Fed. R. Civ. P. 37(b), including the entry of judgment. 16 TTABVUE 3. On April 12, 2015, having heard nothing from Respondent, Petitioner sent an email to Respondent inquiring about the discovery responses. After another email from Petitioner the next day, Respondent's counsel replied, indicating that supplemental responses would be served "sans objections, first thing tomorrow morning." 21 TTABVUE 20. However, supplemental responses were not actually served until April 16, 2015, with responsive documents being uploaded to a URL and made available to Petitioner on April 20, 2015.

Motion to Withdraw

Petitioner's motion to remove William N. Federspiel as its counsel of record is **GRANTED**, inasmuch as Mr. Federspiel is no longer an associate at the firm McGuireWoods LLP, which continues as Petitioner's representation in this proceeding. Brad R. Newberg and Amanda L. DeFord of McGuireWoods LLP are now Petitioner's counsel of record.

Motion for Sanctions

On May 26, 2015, Petitioner filed the present motion for sanctions based on Respondent's failure to comply with the Board's March 11, 2015 order. In support of its motion, Petitioner asserts that following the Board's order, Respondent failed to timely serve its supplemental responses; and although on April 20 (also untimely)

Respondent produced responsive documents, that production was nonetheless deficient. Further, Petitioner contends that inasmuch as “Respondent has denied Petitioner valuable discovery in this case,” Respondent has “impaired Petitioner’s ability to fully prepare its trial submissions.” 21 TTABVUE 7. Particularly, Petitioner points to Respondent’s failure to adequately respond to requests “related to Respondent’s alleged conceptualization and development of the COMFORTCLUB Mark and its first use of that mark in commerce, denying Petitioner information highly relevant to its claim that Respondent did not own the COMFORTCLUB Mark, knew that the Mark belonged to Petitioner, and therefore committed fraud on the United States Patent and Trademark Office when it claimed ownership in its application to register the Mark.” *Id.*

Finally, Petitioner asserts that prior to filing its motion for sanctions it made additional efforts to resolve this issue without Board intervention by sending Respondent an additional “Discovery Deficiency Letter” on April 28, 2015, outlining “only the most egregious deficiencies” and allowing Respondent until May 5, 2015, to comply with the Board’s order. *Id.* at 4 and 91-97. However, Respondent replied by email on May 4, 2015, indicating that no further documents would be produced, stating that Respondent had “assured” its counsel that “there are no other responsive documents and that everything has been produced.” 21 TTABVUE 99. Petitioner now seeks entry of judgment as a sanction.

Respondent asserts that “any failure to provide any discovery ordered by the Board was inadvertent, and had Petitioner adequately conferred with Respondent

before filing this surprise motion against Respondent, Respondent would have supplemented.” 24 TTABVUE 2-3. Respondent also argues that “[t]he Board should deny Petitioner’s motion because the previous motion to compel did not specifically address” the discovery responses complained of in Petitioner’s motion for sanctions. *Id.* at 7. As an alternative, Respondent requests that the Board “reopen the time to serve supplemental responses to Petitioner’s discovery requests.” *Id.* at 3.

Trademark Rule 2.120(g)(1) provides, in pertinent part:

If a party fails ... to comply with an order of the Trademark Trial and Appeal Board relating to disclosure or discovery, including a protective order, the Board may make any appropriate order, including those provided in Rule 37(b)(2) of the Federal Rules of Civil Procedure.

“The sanctions which may be entered by the Board pursuant to Rule 2.120(g)(1) include striking all or part of the pleadings of the [noncomplying] party; refusing to allow the noncomplying party to support or oppose designated claims or defenses; prohibiting the [noncomplying] party from introducing designated matters in evidence; and entering judgment against the [noncomplying] party.” *HighBeam Marketing, LLC v. Highbeam Research, LLC*, 85 USPQ2d 1902, 1904 (TTAB 2008).

In its March 11, 2015 order, the Board directed Respondent to timely supplement its initial responses to Petitioner’s First Set of Interrogatories and Document Requests without objection on the merits and promptly produce responsive documents at its own expense. Instead, Respondent served untimely supplemental responses which included objections going to the merits of the requests, as well as an untimely production of documents. Rather than

supplementing its responses with complete and accurate responses to the discovery requests cited by Petitioner in its motion to compel and producing such responsive documents as may exist, or indicating in its responses that no such documents exist, Respondent's conduct demonstrates a clear lack of cooperation.

Notably, the preamble of "Respondent's Second Amended *Objections* and Responses" indicates that Respondent objects to responding to any requests regarding Petitioner's subsidiaries "[u]ntil Petitioner amends its pleadings" to make those entities party to this proceeding.² Further, although Respondent was careful not to use the specific words "object" or "objection" in most of its responses, Respondent nonetheless refused to respond to various requests, or failed to respond completely. For example:

- 1) Respondent did not answer Request for Production No. 82 seeking documents relating to the similarity of services between the parties. Rather than answer Respondent contended that the request was "[n]ot applicable, as Petitioner and Respondent are not similar entities."
- 2) In a similar fashion, Respondent evaded answering Request for Production No. 33, which sought documents relating to Respondent's awareness of Petitioner's mark. Although Petitioner clearly defined the term "Petitioner's Mark," Respondent, rather than respond, contended simply that it was not aware that Petitioner owned any mark.
- 3) Respondent failed to respond fully to Interrogatory No. 8, and ignored the majority of the information sought by that inquiry, particularly relating to the channels of trade of Respondent's goods or services, and the geographic

² However, Respondent's answers to certain inquiries makes it clear that Respondent had a contractual relationship with at least one of those subsidiaries – Airtime, LLC or Airtime 500, and that information regarding that relationship may be relevant to the claims presented herein.

scope of advertising and sales of Respondent's goods or services.

- 4) In response to Interrogatories Nos. 23-26 Respondent declined to "provide a narrative answer," and instead improperly attempted to evoke Fed. R. Civ. P. 33(d) allowing for the production of business documents where providing written responses would impose a significant burden on the responding party.³

Moreover, Respondent's contradictory responses indicate a failure to comply with the Board's order to respond *fully* to the discovery requests. For instance, Respondent's responses to Interrogatories Nos. 6 and 7 assert that "Respondent has no relationship with AirTime 500," and "Respondent has no agreements with AirTime 500;" however in response to Interrogatory No. 4 Respondent stated that "[o]n August 21, 2007, Respondent entered into a contract titled NIGHTHAWK AIRTIME MEMBER AGREEMENT with AirTime, LLC, a Missouri Limited Liability Company and Respondent became a 'member' of an organization known as 'AirTime 500.'"

Finally, under particularly dubious circumstances, Respondent failed to respond to ten requests for admission served by Petitioner – Request for Admission Nos. 36-45. Respondent contends that these ten requests were not timely served with the other requests, which were served June 4, 2014, along with the interrogatories and document requests. However, the last request for admission answered by

³ However, Respondent failed to demonstrate or even allege that it would be unduly burdensome for it to provide written responses to Petitioner's interrogatories. And it does not escape notice that the interrogatories in question were straightforward and typical in scope for this type of proceeding, such that providing written responses to the interrogatories would have imposed no burden on Respondent that "is above and beyond the burden normally faced by parties responding to such interrogatories." *See Jain v. Ramparts Inc.*, 49 USPQ2d 1429, 1435 (TTAB 1998).

Respondent, Request for Admission No. 35, spans two pages of the document; the last line on page 7 does not form a complete sentence, but continues at the top of page 8. Further, the footer of the page clearly denotes that the page on which admission request no. 35 begins is “Page 7 of 10”; therefore, even if the remainder of the document somehow became detached from the other pages, the footer information should have at the very least alerted Respondent that an inquiry needed to be made regarding the missing pages. However, Respondent made no mention of this “omission” until it filed its response to the present motion for sanctions.

Despite Respondent’s contention, the scope of the deficiencies cited in the motion to compel clearly encompasses the requests subject to this motion. Additionally, given the multiple efforts made by Petitioner to resolve these discovery issues, including the letter of April 28,⁴ and Respondent’s failure or inability to comply, it is unclear how this motion for sanctions comes as a “surprise” to Respondent.

Respondent’s pattern of untimely and deficient responses followed by dubious justifications or mishaps⁵ ultimately resulting in further delay, displays conduct

⁴ Respondent admitted it had not gone “over each of the points in [the] letter.” 21 TTABVUE 99.

⁵ Indeed, Respondent makes much of the fact that the Board granted Petitioner’s motion to compel as conceded, and insinuates that the order should not have issued inasmuch as Respondent had served what it considered to have been sufficient responses prior to the issuance of the Board’s order. However, this is an argument that would have been proper to raise in opposition to the motion to compel; it is not a proper response in opposition to this motion for sanctions.

Further, Respondent’s counsel’s explanation regarding the untimely service of its supplemental responses is also unavailing. Docketing issues do not serve as an excuse for untimely filings. *See Hobie Designs Inc. v. Fred Hayman Beverly Hills Inc.*, 14 USPQ2d 2064, 2065 (TTAB 1990) (no excusable neglect where defendant’s failure to timely respond

that is severely disruptive to the orderly disposition of this proceeding, and even smacks of gamesmanship. *See Carefirst of Maryland Inc. v. FirstHealth of the Carolinas Inc.*, 77 USPQ2d 1492, 1495 (TTAB 2005). *See also Hornby v. Tjx Cos. Inc.*, 87 USPQ2d 1411, 1420 (TTAB 2008) (Board disagrees that respondent has not engaged in gamesmanship where its interpretation of interrogatories was clearly an attempt at evading response). Respondent's conduct illustrates various attempts to circumvent Board policy and evade fully responding to Petitioner's discovery requests, thus failing to fulfill Respondent's duty to cooperate in the discovery process. *See Hot Tamale Mama...and More, LLC v. SF Invs., Inc.*, 110 USPQ2d 1080, 1081 n.1 (TTAB 2014) (simply ignoring deadlines to serve discovery responses or seek an extension of time to do so is inconsistent with the Board's expectation that the parties and their attorneys cooperate in the discovery process); *Panda Travel Inc. v Resort Option Enters., Inc.*, 94 USPQ2d 1789, 1791 (TTAB 2009) ("Each party has a duty to make a good faith effort to satisfy the reasonable and appropriate discovery needs of its adversary."). Respondent's disregard of the Board's order and discovery deadlines has consequently resulted in the misuse of Board resources and time (not to mention the cost to Petitioner in time and money).

Conclusion

The Board recognizes the severity of entry of judgment as a discovery sanction, and it is one we do not take lightly. However, given the circumstances presented in

to certain discovery requests was due to defendant's oversight or lack of care in reading discovery requests); *Paolo's Assocs. Ltd. P'ship v. Bodo*, 21 USPQ2d 1899, 1902 (Comm'r Pat. 1990) ("docketing problems of registrant's counsel did not constitute 'excusable neglect.'")

this case, the entry of judgment not only appears to be warranted, it is apparent from Respondent's pattern of conduct that any sanction short of judgment would be futile and unfair to Petitioner.

Accordingly, Petitioner's motion for sanctions in the form of judgment is **GRANTED**.⁶

Decision: The petition for cancellation is **GRANTED**, and Registration No. 3618331 will be **CANCELLED** in due course.

⁶ In light of the entry of judgment as a discovery sanction, all other pending motions in this proceeding are rendered moot, and will be given no further consideration.