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

Proceeding	92059992
Party	Plaintiff Spoonjack LLC
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SPOONJACK LLC d/b/a SPOONJACK,

Cancellation No. 92059992

Petitioner,

v.

DONALD J. TRUMP,

Reg. No. 3391095

Mark: TRUMP

Issued: March 4, 2008

Registrant.

**PETITIONER'S RESPONSE TO THE TRADEMARK TRIAL AND APPEAL BOARD'S  
ORDER TO SHOW CAUSE**

Petitioner hereby responds to the Trademark Trial and Appeal Board's (the "Board") order to show cause of January 19, 2016 (the "Order") (14 TTABVUE 9-10).

**I. Introduction**

In its Order, the Board states,

Petitioner is directed, within THIRTY DAYS of the issuance of this order, to show cause why judgment should not be entered against it based on its assertion in this case of an untimely compulsory counterclaim that should have been asserted in Opposition No. 91203345, failing which the petition for cancellation will be dismissed. The proceeding remains otherwise SUSPENDED.

14 TTABVUE 10.

The claim of the present proceeding is not and was not a compulsory counterclaim. For a counterclaim to be compulsory, grounds for the counterclaim *must exist* at the time the answer is filed. In the present case, grounds for the claim *did not exist* at the time the alleged answer was filed. Accordingly, there is no basis for entering judgment against Petitioner as the Board suggests.

**II. Petitioner's claim is not and was not a compulsory counterclaim.**

The Board states the legal basis of its Order as follows:

Counterclaims for cancellation of pleaded registrations in Board proceedings are governed by Trademark Rules 2.106(b)(2)(i) and 2.144(b)(2)(i). *See* 37 CFR § 2.106(b)(2)(i) and 37 CFR § 2.144(b)(2)(i). If the grounds for a counterclaim are learned during the course of the proceeding, through discovery or otherwise, the counterclaim must be pleaded promptly after the grounds therefor are learned. A defendant who fails to timely plead a compulsory counterclaim cannot avoid the effect of its failure by thereafter asserting the counterclaim grounds in a separate petition to cancel. In such a case, the separate petition will be dismissed, on motion, on the ground that the substance of the petition constitutes a compulsory counterclaim that ought to have been raised in another proceeding, and that it

was not timely asserted. TBMP § 313.04 and cases cited therein. *See also Vitaline Corp. v. General Mills Inc.*, 891 F.2d 273, 13 USPQ2d 1172, 1174 (Fed. Cir. 1989) (Trademark Rule requiring the pleading of compulsory counterclaims was “clearly violated” by an assertion of a claim not as a counterclaim in the original proceeding but as a “purportedly new claim in a separate [cancellation] proceeding”).

14 TTABVUE 9-10.

Petitioner respectfully submits that this is flawed for the following reasons.

First, 37 CFR § 2.144(b)(2)(i) applies only to cancellation proceedings. In this case, as the prior proceeding involved an opposition, only 37 CFR § 2.106(b)(2)(i) can possibly apply.

Second, 37 CFR § 2.106(b)(2)(i) states the following:

A defense attacking the validity of any one or more of the registrations pleaded in the opposition shall be a compulsory counterclaim ***if grounds for such counterclaim exist at the time when the answer is filed.*** If grounds for a counterclaim are known to the applicant when the answer to the opposition is filed, the counterclaim shall be pleaded with or as part of the answer. If grounds for a counterclaim are learned during the course of the opposition proceeding, the counterclaim shall be pleaded promptly after the grounds therefor are learned. A counterclaim need not be filed if it is the subject of another proceeding between the same parties or anyone in privity therewith.

37 CFR § 2.106(b)(2)(i) (emphasis added).

As is evident from the rule, a counterclaim is only a compulsory counterclaim if, *inter alia*, grounds for such counterclaim *exist* at the time when the answer is filed.

Here, the grounds for the claim *did not exist* at the time when Petitioner, then Applicant, filed its answer. Petitioner filed its answer in Opposition No. 91203345 on February 21, 2012. Registrant, then Opposer, made its declaration, which is the subject of the present claim, on February 28, 2014 - ***over two years after the answer was filed.*** 1 TTABVUE 1-2, ¶¶ 4-5.

The requirement that grounds must *exist* at the time when the answer is filed is indeed a crucial element of the compulsory counterclaim rule. This is made clear in the Federal Register Notice titled, "Trademark Opposition and Cancellation Proceedings: Compulsory Counterclaims," amending 2.106(b)(2)(i) and 2.114(b)(2)(i) to their current form. 46 Fed.Reg. 6934-40 (1981). The Notice states,

A distinction is made in amended §§ 2.106(b)(2)(i) and 2.114(b)(2)(i) between the time when a cause of action giving rise to a counterclaim must have matured for a counterclaim to be compulsory [*sic*] and the time when the counterclaim be pleaded. The cause of action must have matured by the date of filing of the answer to the notice of opposition or petition for cancellation in order for the counterclaim to be compulsory in that proceeding. Rule 13(a), FRCP, provides that "A pleading shall state as a counterclaim any claim which *at the*

*time of serving the pleading* the pleader has against any opposing party \* \* \* (emphasis added). This indicates that there should be a date which sets a limit so that if a claim matures thereafter it is not a compulsory counterclaim. The date of filing of the answer seems to be, in the context of proceedings before the Board, a fair limiting date. Thus, if a cause of action, such as abandonment, does not exist until after the date of the answer, it is not a compulsory counterclaim. That is, if the cause of action for the cancellation of the plaintiff's pleaded registration has not matured by the date of filing of the answer, the filing of a counterclaim is permissive rather than mandatory.

46 Fed.Reg. 6938 (1981) (footnote omitted).

Further, in every decision cited in TBMP § 313.04 involving a counterclaim which was deemed a compulsory counterclaim, grounds for the counterclaim *existed at the time the answer was filed*. See TBMP § 313.04 and cases cited therein. Again, this is clearly not the case here.

### III. Conclusion

In view of the foregoing, Petitioner's claim is not a compulsory counterclaim, judgment should not be entered against Petitioner, and this proceeding should be resumed.

Dated: February 4, 2016

By: 

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing PETITIONER'S RESPONSE TO THE TRADEMARK TRIAL AND APPEAL BOARD'S ORDER TO SHOW CAUSE was served on this 4th day of February 2016, via first class mail, U.S. postal service, postage prepaid upon:

Daniel H. Weiner, Esq.  
Hughes Hubbard & Reed LLP  
One Battery Park Plaza  
New York, NY 10004

By:/Tom Scharfeld/