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

Mailed: March 30, 2016

Cancellation No. 92061031

*Jeffrey Schermerhorn*

v.

*National Association of Realtors*

Before Bergsman, Shaw, and Pologeorgis,  
Administrative Trademark Judges.

By the Board:

This proceeding now comes before the Board for consideration of National Association of Realtors' ("Respondent") motion for summary judgment on its asserted affirmative defense of licensee estoppel. The motion is fully briefed.<sup>1</sup>

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<sup>1</sup> After Respondent's motion for summary judgment was fully briefed, Petitioner filed a submission on January 22, 2016 which includes an email dated January 18, 2016 that purportedly demonstrates that Petitioner's membership with Respondent has been temporarily suspended for failure to submit his membership dues for the year 2016. In its January 18, 2016, submission, Petitioner argues that since he is no longer a current member of Respondent, Respondent cannot prevail on its motion for summary judgment and therefore the motion should be denied. Respondent, on February 5, 2016, moved to strike Respondent's January 22, 2016, submission on the ground that it constitutes an impermissible sur-reply. With regard to this new evidence, i.e., email notification of suspension from membership, the Board has discretion under Fed. R. Civ. P. 56(e) to allow the parties to supplement and file additional evidence on a summary judgment motion. In view of the dispositive nature of Respondent's motion, we have exercised our discretion under the rule and considered the evidence. In view thereof, Respondent's motion to strike is denied to the extent it seeks to exclude this new evidence but is granted to the extent that the Board has not considered any arguments advanced by Petitioner with regard to this new evidence. Even if we were to consider such arguments, Petitioner's arguments are not well taken as discussed more fully *infra*.

## **Background**

Respondent is the owner of the registered collective service mark REALTOR in typeset word form.<sup>2</sup> In the application for this registration, Respondent's predecessor indicated that it is exercising legitimate control over the use of the mark of on the following services:

brokerage of real estate, industrial brokerage, farm brokerage, mortgage brokerage, in the appraisal of real estate, management of real estate, in the building of structures on real estate, in the subdivision of real estate properties, and community planning for the development of raw land and slum clearance areas.

On March 9, 2015, Jeffrey Schermerhorn ("Petitioner") filed a petition for cancellation seeking to cancel Respondent's collective service REALTOR mark on the ground of genericness. On April 17, 2015, Respondent filed an answer to the petition denying the salient allegations asserted therein. Respondent also asserted the affirmative defense of licensee estoppel.

## **Respondent's Motion for Summary Judgment**

We now turn to Respondent's motion for summary judgment. In support thereof, Respondent contends that because Petitioner is a current member of Respondent and a current licensee of the REALTOR mark, his claim of genericness is barred under the doctrine of licensee estoppel.

In support of its motion, Respondent has submitted the declaration of Cliff Niersbach, Respondent's Associate General Counsel, who attests to, among things,

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<sup>2</sup> Registration No. 519789, registered on January 10, 1950, claiming March 31, 1916 as both the date of first use and the date of first use in commerce. Section 8 and 9 affidavits accepted on January 10, 2010.

the following: (1) Petitioner has been a member of Respondent since 2013 and that his 2015 membership dues were paid in full on January 13, 2015; (2) Petitioner is also a member of the REALTOR Association of Sarasota and Manatee and the Florida Association of REALTORS; (3) Petitioner is licensed to use the REALTOR mark in accordance with Respondent's specified terms and conditions and benefits from the goodwill associated with the REALTOR mark; and (4) pursuant to the governing bylaws of Respondent and as member of Respondent, Petitioner is authorized to use the REALTOR mark as a licensee during the period of his membership. Mr. Niersbach's declaration also introduces copies of (1) the Bylaws of the REALTOR Association of Sarasota and Manatee, Inc., (2) the 2015 Constitution and Bylaws of Respondent, and (3) Petitioner's application dated October 24, 2013 for REALTOR Associate Membership with the Sarasota Association of REALTORS (now the REALTOR Association of Sarasota and Manatee).

Petitioner, while conceding that he was a member and licensee of Respondent at the time he filed his response to Respondent's motion for summary judgment, argues that he was forced to join Respondent's membership and that such action is in violation of the Sherman Antitrust laws, the Constitution of the State of Florida, the federal RICO statutes, and the State of Florida's right to work statutes. Petitioner also maintains that the 2015 version of Respondent's Constitution and Bylaws are not applicable to him because he joined Respondent as a member and licensee in 2013.

In support of his response, Petitioner submitted, among other things, (1) copies of emails from his employer requesting that Petitioner pay his membership dues to

Respondent or switch to the Florida Referral Group as a real estate agent, (2) a copy of the State of Florida's right to work statute, (3) a blank application from the State of Florida Department of Business and Professional Regulation for a change of status for sales associates and broker sales associates for membership.

In reply, Respondent argues that since Petitioner admits in response that he was a member and licensee of Respondent and does not dispute that he received all of the benefits as a member and licensee of Respondent, Respondent's summary judgment motion on its asserted affirmative defense of licensee estoppel should be granted in light of the aforementioned concessions made by Petitioner. With regard to Petitioner's argument that he is not bound by Respondent's 2015 Constitution and Bylaws, Respondent contends that Petitioner, upon becoming a member of Respondent, agreed to be bound by Respondent's Constitution and Bylaws, ***all as from time to time amended***. Respondent also maintains that Petitioner renewed his membership in 2015, after Respondent's 2015 version of its Constitution and Bylaws became effective and prior to the filing of Petitioner's petition for cancellation, and therefore is bound by Respondent's 2015 Constitution and Bylaws. Finally, with regard to Petitioner's argument that he was "forced" to join Respondent and that "membership is required" is undermined by Petitioner's own submissions which indicate that his employer provided him with options other than joining Respondent. Moreover, Respondent contends that neither Respondent nor its local associations require non-principal real estate licensees affiliated with a particular real estate firm, like Petitioner, to be members of the local association of the designated principal

member. Respondent further maintains that Petitioner's own submissions indicate that the firm with which he is associated, i.e., Capital Real Estate Enterprises Inc., provided Petitioner with options, including joining Respondent or switching to the Florida Referral Group as a real estate agent. Since Petitioner opted to become a member of Respondent and renewed that membership as recently as January 2015 rather than switching to Florida Referral Group, Respondent argues that Petitioner was not forced to join Respondent.

### **Decision**

A motion for summary judgment is a pretrial device intended to save the time and expense of a full trial when the moving party is able to demonstrate, prior to trial, that there is no genuine dispute of material fact, and that it is entitled to judgment as a matter of law. *See* Fed. R. Civ. P. 56(a); *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986). In reviewing a motion for summary judgment, the evidentiary record and all reasonable inferences to be drawn from the undisputed facts must be viewed in the light most favorable to the nonmoving party. *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). The Board may not resolve issues of material fact; it may only ascertain whether such issues are present. *See Lloyd's Food Prods. Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993).

An affirmative defense is a defendant's assertion raising new facts and arguments that, if true, will defeat the plaintiff's claim, even if all allegations in the complaint are true. *See H.D. Lee Co. v. Maidenform Inc.*, 87 USPQ2d 1715, 1720 (TTAB 2008) (citation omitted). Here, Respondent's affirmative defense of licensee estoppel raises

facts and arguments independent of Petitioner's pleaded claim that, if proven, may defeat a claim and avoid cancellation even if such claim has been proven. 5B Charles Alan Wright & Arthur R. Miller, Federal Practice and Procedure § 1270 (3d ed. 2014) ("An affirmative defense will defeat the plaintiff's claim if it is accepted by the district court or the jury."). *Accord* 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, § 18:63 (4th ed. March 2016) ("McCarthy") ("a trademark licensee is estopped from challenging the validity of the licensor's mark").

Under the doctrine of licensee estoppel, a licensee is estopped to challenge the licensor's rights in the licensed mark during the time that the license is in force. *Freeman v. Nat'l Ass'n of Realtors*, 64 USPQ2d 1700, 1703 (TTAB 2002); *Estate of Biro v. Bic Corp.*, 18 USPQ2d 1382, 1386 (TTAB 1991); *Garri Publ'n Assocs. Inc. v. Dabora Inc.*, 10 USPQ2d 1694, 1697 (TTAB 1988). As an equitable doctrine which is not to be rigidly applied in any and all situations, "[A] court remains free to consider the particular circumstances of the case, including the nature of the licensee's claim and the terms of the license." McCarthy at § 18.63. The licensee estoppel rule is founded on the view that a licensee should not be permitted to enjoy the use of the licensed mark while at the same time challenging the mark as being invalid. *Id.* Upon termination of the license, the licensee is no longer hampered by the estoppel to the extent that the licensee is then free to challenge the licensor's title on the basis of facts which arose *after* the expiration of the license. *Freeman v. Nat'l Ass'n of Realtors*, 64 USPQ2d at 1703 (emphasis added).

Initially, we note that we have given no consideration to Petitioner's arguments that Petitioner's purported forced membership with Respondent violates federal antitrust laws, RICO laws, the constitution of the State of Florida, or Florida's right to work laws; the jurisdiction of the Trademark Trial and Appeal Board does not extend to antitrust claims, constitutional claims, or to any criminal matter. *McDermott v. San Francisco Women's Motorcycle Contingent*, 81 USPQ2d 1212, 1216 (TTAB 2006) ("[T]he Board's jurisdiction is limited to determining whether trademark registrations should issue or whether registrations should be maintained; it does not have authority to determine whether a party has engaged in criminal or civil wrongdoings."), *aff'd unpub'd*, 240 Fed. Appx. 865 (Fed. Cir. July 11, 2007); *Nobelle.com LLC v. Qwest Comm'ns Int'l Inc.*, 66 USPQ2d 1300, 1305 (TTAB 2003) (Board has no jurisdiction over antitrust or unfair competition claims); *Zirco Corp. v. Am. Tel. and Tel. Co.*, 21 USPQ2d 1542, 1544 (TTAB 1991) (no jurisdiction to determine whether Trademark Act Section 7(c) violates the commerce clause of the constitution).

Turning to the merits of Respondent's motion for summary judgment, we find that, based on the record, including the evidence that Petitioner is currently suspended from membership with Respondent, that there are no genuine disputes of material fact that (1) Petitioner was a member and licensee of Respondent at the time he filed his petition to cancel and during the briefing of Respondent's motion for summary judgment, and (2) the asserted facts on which Petitioner bases his challenge of genericness arose *prior to* the suspension of his membership. The facts before us

in this case are remarkably similar to the facts in *Freeman v. Nat'l Ass'n of Realtors*, *supra*. As in *Freeman*, Petitioner's case of genericness is based on his belief that Respondent's collective service mark was generic from the outset, and continues to remain generic. Additionally, we find that there are no genuine disputes of material fact that, when he was a member of Respondent, Petitioner acknowledged the validity of the licensed marks and benefited from the goodwill associated with those marks. Petitioner has not alleged or relied on facts regarding the significance of Respondent's REALTOR mark that have changed since he was suspended as a member of the Respondent. That is to say, Petitioner is not here claiming that the REALTOR mark became generic after his suspension from membership for failing to pay his membership dues; rather, Petitioner is relying on facts, including the meaning of the term "realtor," during the term of the license, as well as the date on which he file his petition to cancel.

Accordingly, we agree with Respondent that Petitioner's claim of genericness is barred under the doctrine of licensee estoppel.

In view of thereof, Respondent's motion for summary judgment on its asserted affirmative defense of licensee estoppel is GRANTED.<sup>3</sup>

The petition for cancellation is accordingly dismissed with prejudice.

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<sup>3</sup> Because we conclude that Petitioner's claim is barred, we need not decide the substantive issue of genericness of Respondent's registered REALTOR mark.