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

Proceeding	92061135
Party	Defendant Weems Industries, Inc.
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Attachments	June192015ResistancetoReconsideration.pdf(422615 bytes)

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

MATTOON RURAL KING SUPPLY, INC.,)	Cancellation No.:	92061135
)		
)	Registration No.:	3765628
Petitioner,)		
)	Filing Date:	May 26, 2009
v.)		
)	Registration Date:	March 23, 2010
WEEMS INDUSTRIES, INC. d/b/a)		
LEGACY MANUFACTURING)		
COMPANY,)		
)		
Registrant.)		
)		

**REGISTRANT’S RESISTANCE TO PETITIONER’S MOTION FOR
RECONSIDERATION OF BOARD’S DECISION TO SUSPEND PROCEEDINGS**

COMES NOW, Registrant, Weems Industries, Inc. d/b/a Legacy Manufacturing Company (hereinafter “Weems”), and for its Resistance to Petitioner’s Motion for Reconsideration of Board’s Decision to Suspend Proceedings, states as follows:

1. On June 5, 2015, the Board suspended this proceeding pending final determination, including any appeals or remands, of the civil action, *Weems Industries, Inc. v. Mattoon Rural King Supply, Inc.*, Case No. 1:15-cv-00036-LLR in the United States District Court for the Northern District of Iowa.

2. On June 11, 2015, Mattoon Rural King Supply, Inc. filed a motion for reconsideration of this decision to suspend proceedings. Rural King cited *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. ___, 135 S.Ct. 1293 (Mar. 24, 2015) claiming the opinion “fundamentally altered the relationship between the Board and the federal district court,” and “[b]ecause of the issue preclusive effect of TTAB decisions and the deference now afforded the

TTAB by the Supreme Court, it is no longer appropriate for the Board to suspend proceedings as a matter of course.”

3. Rural King does not raise a new or different argument for the Board to consider. The *B&B Hardware* case was fully briefed and argued by the parties in their resistance and reply to the motion to suspend. As previously argued, *B&B Hardware* is clearly distinguishable because in that case, after the TTAB determined Hargis’ mark could not be registered, Hargis did not seek judicial review in either the Federal Circuit or District Court. *Id.*, 135 S.Ct. at 1302. This procedural feature is still in play in this case; thus, eliminating the potential issue preclusion issue entirely.

4. Further, Rural King’s assertions regarding the effect of the *B&B Hardware* decision is greatly exaggerated. In *B&B Hardware*, the U.S. Supreme Court specifically held that issue preclusion may not apply to “many registrations.” *Id.* at 1306. Before issue preclusion applies, the “ordinary elements of issue preclusion” must be met. *Id.* In this regard, “materiality” is often essential. *Id.* at 1308.

If a mark owner uses its mark in ways that are materially the same as the usages included in its registration application, then the TTAB is deciding the same likelihood-of-confusion issue as a district court in infringement litigation. By contrast, if a mark owner uses its mark in ways that are materially unlike the usages in its application, then the TTAB is not deciding the same issue. Thus, if the TTAB does not consider the marketplace usage of the parties’ marks, the TTAB’s decision should “have no later preclusive effect in a suit where actual usage in the marketplace is the paramount issue.”

Id. (quoting 6 McCarthy § 32:101, at 32-246). It is premature to discuss how the TTAB will consider materiality and actual use; therefore, there is no way to determine if issue preclusion will even apply at all.

5. Finally, the United States District Court for the Northern District of Iowa recently entered an Order denying Rural King's motion to stay in the underlying civil action. A true and accurate copy of the Order Denying Motion to Stay is attached hereto.

6. Because the underlying civil action is not being stayed, to reconsider and lift the suspension order in this matter will prejudice both parties, as the parties will be forced to litigate before two tribunals resulting in duplicate motions and risks inconsistent rulings. Society of Mexican American Engineers & Scientists, Inc. v. GVR Pub. Relations Agency, Inc., 2002 TTAB LEXIS 697 (TTAB Nov. 6, 2002).

WHEREFORE, Registrant respectfully requests the Board deny Rural King's motion to reconsider its ruling suspending these proceedings and grant such other and further relief the Board deems equitable in the premises.

Respectfully submitted,

Date: 6/19/15

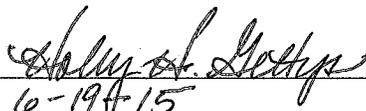
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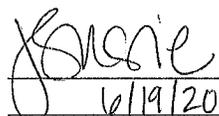
CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing Registrant's Resistance to Petitioner's Motion for Reconsideration of Board's Decision to Suspend Proceedings has been served on Frank B. Janoski, Eric D. Block, and Michael J. Hickey, Esqs., by mailing said copy in a postage prepaid envelope deposited in a box under the custody of the U.S. Postal Service on this 19th day of June, 2015, to Lewis Rise LLC, Box IP Department, 600 Washington Avenue, Suite 2500, St. Louis, Missouri 63101.

Signature: 
Date: 6-19-15

CERTIFICATE OF FILING

I hereby certify that this document is being filed electronically on-line as a PDF document filing form to the Assistant Commissioner for Trademarks this this 19th day of June 2015.

Signature: 
Date: 6/19/2015

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF IOWA
CEDAR RAPIDS DIVISION**

**WEEMS INDUSTRIES, INC. d/b/a
LEGACY MANUFACTURING
COMPANY,**

Plaintiff,

vs.

**MATTOON RURAL KING SUPPLY,
INC.,**

Defendant.

No. C15-0036

**ORDER DENYING MOTION TO
STAY**

This matter comes before the Court on the Motion to Stay Case and All Deadlines (docket number 7) filed by the Defendant on May 18, 2015; the Resistance (docket number 9) and Supplemental Evidence (docket number 12) filed by the Plaintiff on June 1 and June 8, respectively; and the Reply (docket number 13) filed by the Defendant on June 11. Pursuant to Local Rule 7.c, the motion will be decided without oral argument.

I. PROCEDURAL HISTORY

On May 1, 2015, Plaintiff Weems Industries, Inc. d/b/a Legacy Manufacturing Company (“Weems”) filed a complaint alleging trademark infringement and unfair competition against Defendant Mattoon Rural King Supply, Inc. (“Rural King”). On May 18, Rural King filed the instant motion to stay and, contemporaneously, filed a motion for extension of time to file a responsive pleading. Specifically, Rural King asked that it not be required to respond to the complaint until after the Court ruled on the motion to stay.

The motion for extension of time was granted, and Rural King was ordered to file a responsive pleading not later than 14 days after the Court rules on the motion to stay.

II. RELEVANT FACTS

According to the Complaint, Weems is the manufacturer of chartreuse-colored compressed air hoses, registered under the name "Flexzilla." Weems claims to have exclusively used the bright green color on its air hoses since early 2007. On March 23, 2010, Weems registered the color (pantone 389C) in the Supplemental Register, Registration No. 3,765,628. Weems claims that it "has invested substantial time, effort, and financial resources to develop, promote, and market its chartreuse color to the body of its compressed air hoses." Weems markets the color as "ZillaGreen," and claims the color has substantial value "as a symbol of [Weems], its quality products, and its goodwill."

According to the Complaint, Rural King initially sold an orange-colored compressed air hose. However, Rural King recently began selling a "Tool Shed Xtreme Air Hose," using what Weems claims is the same color as its Flexzilla hose. Weems sent a letter to Rural King on about January 16, 2015, informing Rural King of the alleged trademark infringement and demanding Rural King stop using the bright green color in manufacturing its hose.

On March 20, Rural King filed a petition with the Trademark Trial and Appeal Board ("TTAB") for cancellation of Weems' purported trademark rights.¹ Rural King asserts that Weems' use of the color as its Purported Mark is "highly functional and lacks acquired distinctiveness," thus negating any alleged trademark rights in the color of the

¹ Rural King states in its motion to stay that a copy to the "Petition for Cancellation is attached as Exhibit A." However, there was no attachment.

hose. On May 1, Weems filed an answer and a motion to suspend proceedings in the TTAB. On the same day, Weems filed the instant action.

On May 18, Rural King filed the instant motion to stay, asking the Court to stay these proceedings “until the TTAB reaches a final determination as to what trademark rights, if any, that Weems possesses in its choice of bright green for its compressed air hoses.” On June 5 — after Weems filed its resistance to Rural King's motion to stay — the TTAB granted the motion to suspend filed by Weems in that forum on May 1. The TTAB suspended its proceeding “pending final determination, including any appeals or remands, of Case No. 1:15-cr-00036-LRR.” The TTAB decision noted that a motion to stay was pending in this court, however, and stated that “[i]f such motion is granted, the Board will entertain a motion to resume proceedings herein.”

III. DISCUSSION

It is well-established that the court has inherent power to “control the disposition of the causes on its docket with economy of time and effort for itself, for counsel and for litigants,” including granting a motion to stay. *Landis v. North American Co.*, 299 U.S. 248, 254 (1936). In considering whether a motion to stay should be granted, the court considers generally, “(1) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party, (2) whether a stay will simplify the issues in question and trial of the case, and (3) whether discovery is complete and whether a trial date has been set.” *Dordt College v. Burwell*, 2014 WL 5454649 at *1 (N.D. Iowa).

When a party asks the court to pause a civil proceeding until the conclusion of an administrative agency proceeding, such as those before the TTAB, courts generally consider whether the doctrine of primary jurisdiction applies. *See, e.g., Just Enterprises, Inc. v. (888) Justice, Inc.*, 2007 WL 465635 at *7 (W.D. Miss.). The doctrine applies “where a claim is originally cognizable in the courts and comes into play whenever enforcement of the claim requires the resolution of issues which, under a regulatory

scheme, have been placed within the special competence of an administrative body. . . .” *Id.* (quoting *United States v. Western Pac. R.R. Co.*, 352 U.S. 59, 63-64 (1956)). “The rationale for the primary jurisdiction doctrine is two-fold: It ensures uniformity and consistency in the regulation of business entrusted to a particular agency; and it recognizes the expert and specialized knowledge of the agencies involved.” *Id.* Because there is no “fixed formula” for applying the doctrine, courts determine “whether the reasons and purposes [the doctrine] serves will be aided by its application in the particular litigation.” *Id.*

In determining whether they should defer to an administrative body, courts have considered (1) whether the agency has exclusive primary jurisdiction over the matter at hand, (2) if awaiting the agency's decision will be important in resolving the issues before the court, (3) if the agency has specialized knowledge the court does not also have, and (4) if deferring to the agency will prolong or shorten the dispute. *Maritz, Inc. v. Cybergold, Inc.*, 947 F. Supp. 1328, 1336-37 (E.D. Miss. 1996) (concluding the district court action should not be stayed pending a TTAB decision). In *Fight for Children, Inc. v. Fight Night, Inc.*, 1997 WL 148643 (D.D.C.), the defendant filed a trademark application with the United States Patent and Trademark Office (“USPTO”). The plaintiff filed an objection, and while that litigation was pending, the plaintiff filed an action in federal district court seeking a declaratory judgment for non-infringement. The defendant contended that the lawsuit should be stayed pending the outcome of the proceedings before the TTAB. In denying the defendant's motion for a stay, the Court stated that “[t]he great weight of precedent indicates that an infringement case should not be stayed pending decision by the TTAB.” *Id.* at *3. See also *Apple Computer, Inc. v. Podfitness, Inc.*, 2007 WL 1378020 (N.D. Cal.) (denying a motion to stay because “the TTAB is incapable of resolving all of the issues between the parties”); *HSI IP, Inc. v. Champion Window Mfg. and Supply Co.*, 510 F. Supp. 2d. 948, 956 (M.D. Fla. 2007) (holding a motion to

stay would not facilitate judicial efficiency when the TTAB had already granted a motion to suspend cancellation proceedings pending the outcome of the parallel trademark infringement case).

Notwithstanding substantial authority to the contrary, Rural King asks that this case be stayed in light of the Supreme Court's recent decision in *B&B Hardware, Inc. v. Hargis Indus., Inc.*, ____ U.S. ____, 135 S. Ct. 1293 (dec. March 24, 2015).² The issue addressed in *B&B Hardware* was whether a decision by the TTAB has preclusive effect in a federal district court. In answering this question, the Court established the following rule: "So long as the other ordinary elements of issue preclusion are met, when the usages adjudicated by the TTAB are materially the same as those before the district court, issue preclusion should apply." *Id.* at 1310.

The preclusive effect of a TTAB decision in federal court is a factor which the court must consider in determining whether to stay the district court action pending a resolution of the action before the TTAB; but, it is only one factor. In this case, the TTAB can decide whether Rural King's petition to cancel Weems' trademark should be granted. The TTAB cannot resolve, however, the remaining issues raised by Weems in the instant action. If Weems prevails before the TTAB, then further litigation will be required in this court. Both this case and the action before the TTAB are in their early stages. The TTAB has filed an order suspending its action pending the outcome of this case. Given all of the circumstances, the Court concludes that in the interest of judicial economy, and to reduce the burden of serial litigation on the parties, the motion to stay should be denied. *See Pfizer Inc. v. Apotex Inc.*, 640 F. Supp. 2d 1006, 1007 (N.D. Ill. 2009).

² According to Rural King's reply, it has asked the TTAB to reconsider its order suspending the action in that forum, in light of the *B&B Hardware* decision.

IV. ORDER

IT IS THEREFORE ORDERED that the Motion to Stay (docket number 7) filed by Defendant is **DENIED**. Pursuant to the Court's prior Order, Defendant must file a responsive pleading not later than fourteen (14) days following the filing of this Order.

DATED this 18th day of June, 2015.



JON STUART SCOLES
CHIEF MAGISTRATE JUDGE
NORTHERN DISTRICT OF IOWA