

ESTTA Tracking number: **ESTTA740679**

Filing date: **04/18/2016**

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

Proceeding	92063225
Party	Defendant DNC Parks & Resorts at Yosemite, Inc.
Correspondence Address	DNC PARKS & RESORTS AT YOSEMITE INC 9001 VILLAGE DRIVE YOSEMITE, CA 95389 UNITED STATES kkepchar@akingump.com,dc_ipdocketing@akingump.com
Submission	Motion to Suspend for Civil Action
Filer's Name	Karol A. Kepchar
Filer's e-mail	kkepchar@akingump.com, dc_ipdocketing@akingump.com
Signature	/kakepchar/
Date	04/18/2016
Attachments	Reply - DNCY Motion to Suspend Cancellation Proceeding.pdf(57643 bytes)

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

UNITED STATES DEPARTMENT OF THE	:	
INTERIOR, NATIONAL PARK SERVICE,	:	
	:	
Petitioner,	:	Cancellation No. 92063225
	:	
v.	:	
	:	
DNC PARKS & RESORTS AT YOSEMITE, INC.,	:	
	:	
Respondent.	:	

**REPLY TO PETITIONER’S RESPONSE IN OPPOSITION
TO RESPONDENT’S MOTION TO SUSPEND FOR CIVIL ACTION**

Respondent, DNC Parks & Resorts at Yosemite, Inc. (“DNCY”), hereby submits its reply to the opposition of petitioner, the National Park Service, United States Department of the Interior (“NPS” or “Petitioner”) to DNCY’s motion to suspend these proceedings pending disposition of *DNC Parks & Resorts & Yosemite, Inc. v. The United States of America*, No. 15-1034C (“the Litigation”), before the U.S. Court of Federal Claims.

I. INTRODUCTION

This cancellation proceeding involves only seven of the 30 federal trademark registrations NPS was contractually required to have Aramark purchase from DNCY by March 1, 2016. DNCY sued NPS in the Court of Federal Claims on September 17, 2015 for breaching this contractual obligation, and that lawsuit is continuing. All parties agree that the trademarks will ultimately be transferred to the control of NPS after the Court of Federal Claims determines the amount of compensation DNCY will receive in return. In these circumstances, NPS’s pleading that the Board should determine the status of these registrations “as of March 1, 2016” is absurd.

Resolution of the Litigation will obviously moot this proceeding. It is thus clear that this proceeding is merely a tactical maneuver designed to enhance the government's position on the valuation question before the Court of Federal Claims.

NPS's opposition to staying this proceeding dodges these critical facts, and offers no good reason for this proceeding to go forward when only the Litigation can resolve the entire dispute between the parties. NPS offers two meritless arguments. First, NPS relies on the wrong standard for suspension, contending that because the Court of Federal Claims ("CFC") does not have jurisdiction over "trademark infringement and cancellation actions" and because Board proceedings are routinely stayed when the co-pending litigation between the parties is for trademark infringement, suspension somehow is not appropriate here. In fact, suspension is warranted not only by cases involving trademark infringement or cancellation, but by *any* type of civil action, such as the Litigation, which may have a bearing on the case before the Board. 37 C.F.R. §2.117.

Second, NPS mischaracterizes the validity of the registrations as a "gateway issue" that the Board must decide before the Court adjudicates the fair value of the marks in the Litigation. But NPS ignores the fact that its petition to this Board seeks cancellation of the registrations "as of March 1, 2016," when DNCY's Yosemite concession contract ended, which is *after* the marks should have already been purchased from DNCY. Whether or not the registrations should be cancelled "as of March 1, 2016," is not a "gateway issue" in the Litigation, but rather an ancillary issue that arises only because NPS breached its contractual obligation to have Aramark acquire them *before* March 1, 2016.

As fully set forth below, suspension is warranted, and NPS has offered no valid reason why this case should proceed while the Litigation is pending.

II. ARGUMENT

A. NPS Mischaracterizes the Standard for Determining Whether Suspension of Board Proceedings is Appropriate.

NPS argues that because “[t]he Court of Federal Claims is jurisdictionally barred from considering a key issue that would theoretically bear on the issue before the Board – trademark infringement” and because most Board suspension decisions involve civil actions for trademark infringement, the Litigation does not warrant suspension. Opp. at p. 9. NPS’s argument has no basis in law or logic. Although trademark infringement actions will be determinative of some issues that might be raised before the Board, specifically likelihood of confusion or dilution, there is no authority for NPS’s proposition, conversely, that the civil action must be a trademark infringement action in order to bear on issues before the Board. The plain language of the regulation does not limit suspension to cases involving trademark infringement or cancellation of federal registrations:

Whenever it shall come to the attention of the Trademark trial and Appeal Board that a party or parties to a pending case are involved in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding.

Rule 2.117(a), 37 U.S.C. §2.117(a).

The fact that reported cases involving a motion to suspend before the Board pursuant to Section 2.117(a) have typically involved trademark infringement actions is hardly surprising. However, the mere fact that the Litigation is a breach of contract case does not disqualify it as a basis for suspension. The relevant question is whether the Litigation “may have a bearing” on this proceeding. The answer is plainly yes. The CFC will determine, as a contractual matter, the

amount of compensation DNCY is due in return for transferring the trademark registrations to NPS's new concessioner. The contract between NPS and DCNY obligates NPS to require Aramark, the new concessioner, to purchase the marks for "fair value" and DNCY to sell and transfer them to Aramark. The CFC's resolution of the issue before it, therefore, will not only "have a bearing" on NPS's false association, abandonment and dilution claims here, it will moot them. When the breach of contract Litigation is over, the new Yosemite concessioner will own the marks and there will be nothing for this Board to decide.

B. NPS's Attack on the Registrations Does Not Raise a "Gateway Issue" in the Litigation.

NPS argues that the validity of the trademark registrations at issue is a "gateway issue" that must be decided by the Board before the Litigation moves forward and a valuation of the marks is adjudicated. The fatal flaw in this argument is that it does not acknowledge that each of NPS's legal theories in its petition --false association, abandonment and dilution -- rests entirely and exclusively on the fact that after March 1, 2016, DNCY was no longer the concessioner at Yosemite National Park. In the petition, NPS asserts that since DNCY is no longer the Yosemite concessioner "as of March 1, 2016," the registered marks at issue falsely suggest a connection with the National Park Service "as of March 1, 2016." TTAB Petition, Dkt. #1, at ¶¶40-47. NPS also claims that, since its term as concessioner expired, DNCY has abandoned the Contested Marks "as of March 1, 2016." TTAB Petition, Dkt. #1, at ¶¶48-53. Finally, NPS contends, incongruously with the abandonment argument, that DNCY's alleged continued use of the "Yosemite National Park" trademark dilutes NPS's alleged famous unregistered trademark in that name "because of the association that arises from the similarity between DNCY's mark and NPS's mark". TTAB Petition. Dkt. #1, at ¶¶54-63. The validity of the registrations after March 1, 2016, is simply not a "gateway issue" in the Litigation.

As in any breach of contract action, the CFC will seek to put the parties in the position they would have been in had there been no breach. *LaSalle Talman Bank v. United States*, 317 F.3d 1363 (Fed. Cir. 2003) (“The principle of contract damages is that the non-breaching party is entitled to the benefits it reasonably would have received had the contract been performed, that is, profits that would have been earned but for the breach.”); *see also* Restatement (Second) of Contracts § 347. Had NPS not breached its contract with DNCY, Aramark would have acquired the marks from DNCY for their fair value *before* March 1, 2016. Thus, the issue raised by NPS’s cancellation petition to this Board – the validity of DNCY’s registrations *after* March 1, 2016 – is irrelevant to the primary issue before the CFC.

NPS apparently intends to argue to the CFC that the value of the marks *before* DNCY’s contract ended on March 1, 2016 will somehow be affected if NPS can show that DNCY’s registrations were invalid *after* March 1, 2016, when Aramark should already have purchased the marks. This position is dubious at best for a number of reasons, including that it ignores the value of the marks to the new concessioner and rewards NPS for its breach. In any event, whether or not that argument has any validity is an issue for the Court to decide as a matter of contract law if and when it arises in the Litigation. Until then, the relevancy of this proceeding to the valuation of the marks is certainly not a “gateway issue” that must be decided before the Court is able to proceed to decide the issues before it.¹

III. CONCLUSION

For the foregoing reasons and the reasons set forth in DNCY’s principal brief, DNCY respectfully requests that this proceeding be suspended pending the resolution of the Litigation,

¹ The Department of Justice has moved for a stay of *the Litigation* pending disposition of this proceeding, making the same illogical and meritless arguments as set out in its opposition brief for the instant motion. DNCY has opposed the motion in the Litigation, and the Court has not yet ruled.

so that the entire dispute can be resolved in an orderly and just fashion. The disposition of and payment for the registrations Petitioner seeks to cancel or acquire herein will be decided in the Litigation, and the outcome will moot this proceeding. Accordingly, it should be stayed pending resolution of the Litigation.

Respectfully submitted,

DNC PARKS & RESORTS AT YOSEMITE, INC.

/s/ Karol A. Kepchar

Karol A. Kepchar, Esq.

Thomas P. McLish, Esq.

AKIN GUMP STRAUSS HAUER & FELD LLP

1333 New Hampshire Avenue, N.W.

Washington, DC 20036-1564

Tel. (202) 887-4104

Fax: (202) 887-4288

Email: kkepchar@akingump.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on April 18, 2016 a copy of the foregoing **REPLY TO PETITIONER'S RESPONSE IN OPPOSITION TO RESPONDENT'S MOTION TO SUSPEND FOR CIVIL ACTION** was sent by U.S. mail, first class postage prepaid, to counsel of record for Petitioner at the following address:

Sheryl L. Rakestraw
William B. Blake
U.S. Department of the Interior
1849 C Street NW, MS 6456
Room 6447
Washington, DC 20240

/s/Karol A. Kepchar