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Trademark Trial and Appeal Board

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Cancellation No. 92066369

David S. Beasley

v.

William H. Howard DBA The Ebonys

Before Cataldo, Wolfson and Pologeorgis,
Administrative Trademark Judges.

By the Board:

This case now comes up for consideration of Respondent's motion (filed August 7, 2017) for summary judgment on the ground that this proceeding is barred by the application of the doctrines of *res judicata* (claim preclusion) and collateral estoppel (issue preclusion).

I. Preliminary Matter – Untimely Response

Under Trademark Rule 2.127(e)(1), 37 C.F.R. § 2.127(e)(1), Petitioner's response to Respondent's motion for summary judgment was due September 6, 2017. On September 5, 2017, Petitioner filed a motion to extend his time to file his response to Respondent's motion by thirty days. Respondent did not contest Petitioner's motion.

In view thereof, Petitioner's motion to extend is **granted** as conceded under Trademark Rule 2.127(a), 37 C.F.R. § 2.127(a); therefore, Petitioner's response was due no later than October 6, 2017.

Petitioner did not submit his response until October 19, 2017. Accordingly, because Petitioner's responsive brief was untimely, it will not be considered. *See* Trademark Rule 2.127(a), 37 C.F.R. § 2.127(a); *see also Baron Philippe de Rothschild S.A. v. Styl-Rite Optical Mfg. Co.*, 55 USPQ2d 1848, 1854 (TTAB 2000) (applicant's response to opposers' cross-motion for judgment untimely and given no consideration); *cf. Saint-Gobain Corp. v. Minnesota Mining and Mfg. Co. a/k/a 3M*, 66 USPQ2d 1220, 1221 (TTAB 2003) (untimely reply brief received no consideration); *M-Tek Inc. v. Cvp Systems Inc.*, 17 USPQ2d 1070, 1071 (TTAB 1990) (the petitioner not having set forth any circumstances constituting excusable neglect for its failure to seek further leave of the Board at the proper time, untimely testimony deposition stricken and given no consideration). However, insofar as Respondent's motion is potentially dispositive and Petitioner obviously contests Respondent's motion, we exercise our discretion to consider Respondent's motion on the merits. *See* Trademark Rule 2.127(a), 37 C.F.R. § 2.127(a); *see also Baron Philippe*, 55 USPQ2d at 1854.

II. Background

William H. Howard DBA The Ebonys ("Respondent") is the owner of a registration on the Principal Register for the mark "The Ebonys" in standard character format for "entertainment services in the nature of live performances by singing vocalists; entertainment in the nature of vocal musical group; live performances by a musical

group.”¹ David S. Beasley (“Petitioner”) seeks to cancel the involved registration on the grounds of fraud (based on non-use) and likelihood of confusion.

In support of his standing and likelihood of confusion claim, Petitioner alleges, *inter alia*, that (1) he has used the mark THE EBONYs for live musical performances and recordings since the “Exclusive Recording Artist Agreement” was executed on January 1, 1971, with Assorted Music, Inc. d/b/a Philadelphia International Records; (2) his first use of THE EBONYs predates Respondent’s first use of its mark inasmuch as Petitioner has sold audio and video recordings and digital music under his EBONYs mark since as early as January 1, 1971 and has engaged in live performances by a musical group under THE EBONYs mark since as early as January 1, 1971; (3) Respondent’s services are identical to and/or closely related to Petitioner’s goods and services provided under Petitioner’s pleaded mark; and (4) Respondent’s THE EBONYs mark, as applied to the services identified in the subject registration, so resembles Petitioner’s THE EBONYs mark that it is likely to cause confusion, mistake and/or deception (Pet. to Cancel ¶¶ 1, 3-4, 6-8; 1 TTABVue 2-3). With respect to the fraud claim, Petitioner alleges that Respondent committed fraud upon the USPTO by stating in the “statement of use”² for the underlying application

¹ U.S. Reg. No. 4170469, registered July 10, 2012, claiming first use on April 17, 1998, and first use in commerce in 2003.

² Although Petitioner refers to Respondent’s “statement of use,” insofar as the underlying application of the registration sought to be cancelled was filed based on an allegation of use of the mark in commerce under Section 1(a) of the Trademark Act, and was not based on an allegation of a *bona fide* intention to use the mark in commerce under Section 1(b) of the Trademark Act, we construe Petitioner’s pleading as referring to Respondent’s statement of use as set forth in the underlying application.

that Respondent was using the mark for all of the identified services when, upon information and belief, Respondent had not used the mark in commerce with each of the identified services, “[f]or example, ‘rock groups,’” as “Petitioner has the exclusive rights to the name” (Pet. to Cancel ¶¶ 11-15; 1 TTABVue 4); and that such statement constituted a knowingly false representation of material fact by Respondent.³ In lieu of an answer, Respondent filed the subject motion for summary judgment.⁴

III. Respondent’s Motion for Summary Judgment

Turning now to Respondent’s motion, we presume the parties’ familiarity with the pleadings and Respondent’s arguments and materials submitted with the subject motion.

³ To plead a proper claim of fraud, a plaintiff must allege with sufficient factual specificity in compliance with Fed. R. Civ. P. 9(b) that (1) the defendant made a false representation to the USPTO; (2) the false representation is material to the registrability of the mark; (3) the defendant had knowledge of the falsity of the representation; and (4) the defendant made the representation with intent to deceive the USPTO. See *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009); *Harry Winston, Inc. v. Bruce Winston Gem Corp.*, 111 USPQ2d 1419, 1432 (TTAB 2014); see also Fed. R. Civ. P. 9(b); Trademark Rule 2.116(a), 37 C.F.R. § 2.116(a). Petitioner alleges that Respondent’s false statement “was made knowingly with the intent to deceive the U.S.P.T.O. or in reckless disregard for the truth in order to procure registration that Registrant was otherwise not entitled to” (Pet. to Cancel ¶ 17). “Still open is the question whether a submission to the PTO with previous reckless disregard of its truth or falsity would satisfy the intent to deceive requirement.” *DaimlerChrysler Corp. v. American Motors Corp.*, 94 USPQ2d 1086 (TTAB 2010); see also *In re Bose*, 91 USPQ2d at 1942, n.2; *Enbridge Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537 (TTAB 2009). Accordingly, we *sua sponte* strike the reference to “reckless disregard” from the pleading.

Notwithstanding any insufficiency of Petitioner’s fraud claim, we may still consider Respondent’s motion for summary judgment.

⁴ A party may file a motion for summary judgment based on *res judicata* or collateral estoppel before serving its initial disclosures. See Trademark Rule 2.127(e)(1), 37 C.F.R. § 2.127(e)(1); *Zoba Int’l Corp. v. DVD Format/LOGO Licensing Corp.*, 98 USPQ2d 1106, 1108 n.4 (TTAB 2011).

Respondent requests that the petition to cancel be dismissed on the grounds that the petition is barred under both the doctrines of *res judicata* (“claim preclusion”) and collateral estoppel (“issue preclusion”). Specifically with respect to claim preclusion, Respondent contends that both the fraud and likelihood of confusion claims are barred because the parties and marks are the same, and that the claims and issues raised in this proceeding are identical to those which were fully adjudicated, or should have been adjudicated, in a prior proceeding between the parties, namely, Cancellation No. 92057071, captioned *David S. Beasley v. William H. Howard DBA The Ebonys* (the “Prior Action”). In support of his motion, Respondent has submitted a copy of the following documents from the Prior Action:

- the Board’s final decision (5 TTABVUE 20);
- the amended petition to cancel (5 TTABVUE 30);
- various evidence submitted by Petitioner (5 TTABVUE 62);
- Petitioner’s “motion to cancel” (5 TTABVUE 107); and
- Petitioner’s final trial brief (5 TTABVUE 115).

Based on the foregoing documents, Respondent asserts that the claims made by Petitioner in this proceeding arise from the same transactional facts alleged in the Prior Action and, therefore, that all claims in this proceeding are precluded by the judgment in the Prior Action. With respect to whether issue preclusion applies to Petitioner’s claims in this proceeding, Respondent contends that at least the fraud claim is barred because (i) the factual issues related to the fraud claim are the same, (ii) fraud was fully litigated in the Prior Action, (iii) the issues decided in the Prior

Action were necessary to the judgment in that proceeding, and (iv) Petitioner had a full and fair opportunity to litigate the same issues in the Prior Action as are raised in this proceeding.

A. Legal Standard

Summary judgment is an appropriate method of disposing of cases in which there is no genuine dispute with respect to any material fact, thus allowing the case to be resolved as a matter of law. *See* Fed. R. Civ. P. 56(a). A party moving for summary judgment has the burden of demonstrating the absence of any genuine dispute as to a material fact, and that it is entitled to judgment as a matter of law. *See Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986); *Sweats Fashions, Inc. v. Pannill Knitting Co. Inc.*, 833 F.2d 1560, 4 USPQ2d 1793, 1796 (Fed. Cir. 1987). If the moving party is able to meet this initial burden, the burden shifts to the nonmoving party to demonstrate the existence of specific genuinely disputed facts that must be resolved at trial. A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-moving party. *See Opryland USA Inc. v. Great Am. Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992); *Olde Tyme Foods, Inc. v. Roundy's, Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992).

Additionally, the evidence of record must be viewed in the light most favorable to the non-moving party, and all justifiable inferences must be drawn from the undisputed facts in favor of the non-moving party. *See Lloyd's Food Prods. Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993); *Opryland USA*, 23 USPQ2d at 1472. We may not resolve genuine disputes as to material facts and, based thereon,

decide the merits of this proceeding. Rather, we may only ascertain whether any material fact is genuinely disputed. *See Lloyd's Food Prods.*, 25 USPQ2d at 2029; *Olde Tyme Foods*, 22 USPQ2d at 1542; *Meyers v. Brooks Shoe Inc.*, 912 F.2d 1459, 16 USPQ2d 1055, 1056 (Fed. Cir. 1990) (“If there is a real dispute about a material fact or factual inference, summary judgment is inappropriate; the factual dispute should be reserved for trial.”).

B. *Res Judicata* or Claim Preclusion

Res judicata is the earlier name for the judicial doctrine now generally known as claim preclusion. *See Urock Network, LLC v. Sulpasso*, 115 USPQ2d 1409, 1410 n.4 (TTAB 2015) (citing *Senju Pharm. Co. v. Apotex Inc.*, 746 F.3d 1344, 110 USPQ2d 1261, 1263 (Fed. Cir. 2014)). Under the doctrine of claim preclusion, “a judgment on the merits in a prior suit bars a second suit involving the same parties or their privies based on the same cause of action.” *Jet Inc. v. Sewage Aeration Sys.*, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000) (quoting *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n.5 (1979)). Additionally, a plaintiff is barred from a “subsequent assertion of the same transactional facts in the form of a different cause of action or theory of relief.” *Vitaline Corp. v. General Mills Inc.*, 891 F.2d 273, 13 USPQ2d 1172, 1173 (Fed. Cir. 1989). We act with cautious restraint when applying this equitable doctrine, in the interests of both justice for the litigants and protection of the public from confusion. *Mayer/Berkshire Corp. v. Berkshire Fashions Inc.*, 424 F.3d 1229, 76 USPQ2d 1310, 1314 (Fed. Cir. 2005); *see also Sharp Kabushiki Kaisha v. ThinkSharp Inc.*, 448 F.3d 1368, 79 USPQ2d 1376, 1379 (Fed. Cir. 2006).

1. Fraud Claim

For Petitioner's fraud claim to be barred under the doctrine of claim preclusion, Respondent must show that there is no genuine dispute regarding the following material issues:

- (1) identity of parties (or their privies);
- (2) an earlier final judgment on the merits of a claim; and
- (3) a second claim based on the same set of transactional facts as the first.

Jet Inc., 55 USPQ2d at 1856.

In this case, the Board finds that there are no genuine disputes of material fact that the parties in the instant proceeding and the parties in the Prior Action are identical.

With regard to the second factor of the *res judicata* analysis, there is no genuine dispute of material fact that there has been an earlier final judgment on the merits of Petitioner's fraud claim. In the Prior Action, the Board dismissed Petitioner's petition to cancel on the ground of fraud in its entirety.

With respect to the third factor for claim preclusion, namely, whether the fraud claim in this proceeding is based on the same set of transactional facts as those asserted in the Prior Action, we apply the analysis used by our primary reviewing court, the Court of Appeals for the Federal Circuit, which is guided by the Restatement (Second) of Judgments § 24 (1982). *See Chromalloy American Corp. v. Kenneth Gordon, Ltd.*, 736 F.2d 694, 222 USPQ 187, 189-90 (Fed. Cir. 1984); *Young Engineers, Inc. v. U.S. Int'l Trade Comm'n*, 721 F.2d 1305, 1314, 219 USPQ 1142, 1150 (Fed. Cir. 1983) (cited in *Jet Inc. v. Sewage Aeration Systems*, 55 USPQ2d at

1856). Specifically, we must consider whether Petitioner’s claims comprise the same “core [or nucleus] of operative facts” or are “based on the same, or nearly the same, factual allegations” as those asserted in these proceedings. *Jet Inc.*, 55 USPQ2d at 1857. To consider the facts alleged in each proceeding, we find the following table comprising the salient allegations in each proceeding to be helpful to our determination:

PRIOR ACTION	INSTANT PROCEEDING
The Ebonys were formed in 1969 by David Beasley and others (Amended Pet. to Cancel ¶ 1); The Ebonys signed with Assorted Music Records in January 1971 (<i>Id.</i> ¶ 2)	Petitioner has utilized the mark THE EBONYs since an exclusive recording agreement was executed on January 1, 1971 (Pet. to Cancel ¶ 1)
Registrant was not and is not an original member of The Ebonys (Amended Pet. to Cancel ¶ 3)	Registrant filed its THE EBONYs mark [for various services] ... based on [an] alleged first use date o[f] April 17, 1988 and first use in commerce in 2003 (Pet. to Cancel ¶ 10)
David Beasley/petitioner continues to manage goods and services involving the name ‘The Ebonys.’ David Beasley/petitioner manages entertainment services in the nature of live performances by [a] vocalist; entertainment in the nature of vocal music groups; and live performances by musical groups (Amended Pet. to Cancel ¶ 5)	
David Beasley/petitioner never relinquished in writing or verbally his rights [to] ‘The Ebonys’ name to registrant, any other individual and/or group to provide profit to themselves for services or goods (Amended Pet. to Cancel ¶ 6)	
	Upon submission of the statement of use, Registrant claimed that its mark has been in use in commerce in connection with all the goods and services identified in the application (Pet. to Cancel ¶ 11)
	Registrant submitted a sworn statement that all statements made of his knowledge are true in connection with each of the goods and services listed in the application (Pet. to Cancel ¶ 12)

PRIOR ACTION	INSTANT PROCEEDING
Registrant [has] not perform[ed] any original live recordings of The Ebonys singing/performing group (Amended Pet. to Cancel ¶ 3)	To date, Registrant has not used the mark in commerce in connection with each of the services listed in the application (Pet. to Cancel ¶ 13)
	Contrary to Registrant's sworn statement, Registrant has not used Petitioner's Mark in connection with all the services identified in the application (Pet. to Cancel ¶ 14)
	Registrant had not made use [of the mark] on all of the goods and services identified in the application at the time it executed the application (Pet. to Cancel ¶ 15)
	Registrant's statement that the mark was in use in commerce for all of the goods and services constituted a knowingly false representation of [a] material fact by Registrant (Pet. to Cancel ¶ 16)
	Registrant committed fraud on the U.S.P.T.O. by making a material false statement ... and this false statement 'was made knowingly with the intent to deceive the U.S.P.T.O. or in reckless disregard for the truth in order to procure registration that Registrant was otherwise not entitled to' (Pet. to Cancel ¶ 17)

The core operative facts alleged in support of Petitioner's fraud claims in the Prior Action and in this proceeding are that Respondent's use of THE EBONYS mark was subsequent to the use by the original The Ebonys singing/recording group, that Respondent had not used THE EBONYS mark with certain performing services, and that Respondent knowingly made false statements regarding his use of the mark in the declaration with intent to deceive.⁵ In view thereof, although the allegations in this proceeding provide more details, we find that the core transactional facts in each

⁵ In the Prior Action, the Board construed the petition to cancel as including the necessary allegations to support a fraud claim.

proceeding are the same. *See Int'l Nutrition Co. v. Horphag Research, Ltd.*, 220 F.2d 1325, 55 USPQ2d 1492, 1494-95 (Fed. Cir. 2000) (“To the extent that the cancellation petition expands on the false declaration allegations made in the opposition, the differences between the two pleadings are not sufficient to differentiate the claims for res judicata purposes, particularly since there was nothing in the cancellation petition that could not have been alleged in the opposition.”).

Accordingly, we conclude that all three claim preclusion elements have been satisfied and, therefore, Petitioner’s fraud claim is barred under the doctrine of claim preclusion.

2. Likelihood of Confusion Claim

As discussed *supra*, under the doctrine of claim preclusion, a plaintiff is also barred from a “subsequent assertion of the same transactional facts in the form of a *different* cause of action or theory of relief.” *Vitaline Corp.*, 13 USPQ2d at 1173 (emphasis added). In other words, Petitioner cannot avoid the application of claim preclusion by merely bringing additional claims in this proceeding based on the same transactional facts as in the Prior Action. *Id.* To determine whether claim preclusion bars Petitioner’s likelihood of confusion claim, we must determine whether the new claim is based on the same transactional facts as those which were alleged in the Prior Action, and thus, whether the likelihood of confusion claim *should have been litigated* in the Prior Action. *See Sharp Kabushiki Kaisha v. ThinkSharp, Inc.*, 79 USPQ2d at 1378 (Claim preclusion refers to the effect of a judgment in foreclosing litigation of a matter that never has been litigated, because of a determination that it should have been advanced in an earlier suit.) (internal citation omitted).

We find that there is no genuine dispute that Petitioner's likelihood of confusion claim in this proceeding is based on the same transactional facts as, and should have been litigated in, the Prior Action. Specifically, Petitioner has alleged in both proceedings prior use and ownership of THE EBONYS mark for a vocal music group. In addition, with respect to the involved registration in each proceeding, Respondent had alleged use of THE EBONYS mark for the same or similar services to those offered by Petitioner. In view thereof, Petitioner could (and should) have asserted his likelihood of confusion claim in the earlier case. *See Orouba Agrifoods Processing Company v. United Food Import*, 97 USPQ2d 1310, 1314 (TTAB 2010) ((citing *Vitaline*, 13 USPQ2d at 1174) ("The abandonment theory clearly could have been brought in the original proceeding because Vitaline had access to the affidavit and related specimens" when it filed its fraud counterclaim)). Accordingly, Petitioner's likelihood of confusion claim is also barred under the doctrine of claim preclusion.

IV. Conclusion

In view of the foregoing, Respondent's motion for summary judgment is **GRANTED**, and the petition to cancel is dismissed with prejudice in its entirety.⁶

⁶ Because we find that Petitioner's fraud and likelihood of confusion claims are barred under the doctrine of claim preclusion, we need not address whether Petitioner's fraud claim is also barred under the doctrine of issue preclusion.