

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Mailed: January 29, 2008

Opposition No. 91121980
Cancellation No. 92042251

ESTEFAN ENTERPRISES, INC.

v.

ROBERTO NOBLE and BONGO, S.A. de
C.V.¹

Cheryl Butler, Attorney, Trademark Trial and Appeal Board:

In accordance with the Board's order dated January 11, 2007, plaintiff's first testimony period was last set to close on April 15, 2007. In an order dated March 21, 2007, the Board suspended proceedings pending disposition of the following motions:

- 1) plaintiff's fully briefed motion, filed March 8, 2007, for leave to file a second amended (and thus third) petition to cancel; and
- 2) plaintiff's fully briefed motion, filed March 12, 2007, to preclude the testimony of certain witnesses for defendant on the basis that they were disclosed late.

Notwithstanding the clear instruction in the March 21st order that "[a]ny paper filed during the pendency of these motions which is not relevant thereto will be given no consideration," the following motions and matters have been filed:

- 1) defendant's motion, filed March 27, 2007, for an extension of time to respond to plaintiff's motion to

¹ The defendants may be referred to in a singular form and in a neutral form in this order.

- preclude the testimony of witnesses, to which plaintiff filed a "response";²
- 2) plaintiff's fully briefed motion, filed April 3, 2007, to preclude "late produced documents from use at trial";
 - 3) defendant's "unopposed" April 5, 2007 request for clarification of the nature of certain sanctions imposed January 11, 2007, to which plaintiff filed a "response";³
 - 4) plaintiff's fully briefed motion, filed April 16, 2007, to strike exhibits to defendant's response to plaintiff's motion to preclude the testimony of witnesses and for sanctions; and
 - 5) plaintiff's motion, filed August 3, 2007, to suspend proceedings in view of civil litigation.

Background

In its 32-page order dated January 11, 2007, the Board reviewed the history of this consolidated proceeding; observed that the proceeding has become (and clearly remains) contentious; considered in detail the motions then pending; admonished both parties for their conduct in this proceeding; and imposed sanctions. More specifically, the Board limited any future motion to twelve pages, and any reply on a motion to five pages. The parties were forbidden from citing any cases other than precedential TTAB or Federal Circuit cases. The parties were informed that the Board may consider limiting the number of pages for final briefs and, further, that the Board will not hesitate to impose additional sanctions on either party. In addition, the parties were expressly informed that they and their attorneys may be required to appear before the Board to explain any future conduct the Board determines is dilatory,

² This motion is germane to one of the motions which occasioned the suspension of proceedings on March 21, 2007. Thus, it is not an improper filing.

³ The request for clarification is an appropriate filing insofar as defendant was confused about the extent of a specific sanction, discussed later in this order.

excessive in nature and outside the spirit of working cooperatively towards a disposition in this case. At this time, the Board directs the parties to pay particular attention to this potential requirement. As discussed later in this order, the Board may indeed require the parties and their attorneys to appear in person.

Defendant's request for clarification of the January 11, 2007 order

With respect to the page limits imposed on motions filed in this proceeding, defendant seeks to clarify whether briefs responsive to motions are limited to twelve pages or to five pages.⁴

Briefs in response to a motion are limited to twelve pages. Thus, to restate the sanction: briefs on motions are limited to twelve pages, briefs in response to motions are limited to twelve pages, and reply briefs to motions are limited to five pages.

Defendant's motion for an extension of time to respond to plaintiff's motion to preclude witnesses

In support of its motion to extend its response period by five days, defendant argues that it sought to resolve the matter presented by plaintiff's motion before plaintiff brought its motion and that, after the motion was filed, defendant renewed its efforts to resolve the matter.

In response, plaintiff indicates it does not object to the short extension requested. Plaintiff indicates, however, that it

⁴ Plaintiff wasted its own, and the Board's resources, by filing a response indicating it did not oppose defendant's request for clarification. Plaintiff apparently wanted to go on record that it did not "join" defendant's expressed belief that a page limitation of five pages for a response would be "unfair." This information simply was not material to the clarification sought.

does not believe that it can work out a deposition schedule since discovery is closed.

Defendant's motion is granted for good cause shown and its response (filed April 5, 2007) is considered timely.⁵

Plaintiff's motion for leave to file a second amended petition to cancel

Plaintiff seeks leave to amend its petition to cancel for the second time to add another fraud claim as a basis for the cancellation of Registration No. 2347247. More particularly, plaintiff seeks to allege that defendant committed fraud on the USPTO in maintaining its registration by filing its combined declaration of use and incontestibility under Trademark Act §§8 and 15. According to plaintiff, defendant purportedly falsely averred it was using the mark in commerce, and has so used the mark for the five years prior to the filing of the declaration; the specimen submitted is misleading insofar as it is an advertisement for defendant's nightclub in Mexico but does not include an address which would have alerted the USPTO to the foreign location of the nightclub, thus bringing into question whether there is use in commerce; defendant stated he was using the mark in all services listed in the registration but has previously admitted this is not

⁵ Plaintiff is incorrect in its presumption that could not work out a mutually agreeable discovery deposition schedule of the witnesses in question. While it is highly unlikely the Board would have reopened discovery for purposes of the depositions, particularly in view of the history of this case, where parties are working together either to resolve their dispute or to move forward to a determination on the merits of the case, they may stipulate that depositions be taken outside of the discovery period. See TBMP §404.01 (2d ed. rev. 2004). Nonetheless, as discussed later in this order, plaintiff was not entitled to discovery depositions of all the persons identified by defendant as potential witnesses for defendant at trial.

so; and defendant falsely swore there were no pending proceedings before the USPTO involving the registration when, in fact, the registration is involved in this consolidated proceeding. Plaintiff states it does not need discovery and argues that there is no discovery defendant needs to obtain from plaintiff. Thus, plaintiff contends, the proposed amendment will not affect the schedule. Plaintiff notes it only found out about the filings in question while preparing for the March 1, 2007 deposition of defendant, which took place shortly before plaintiff filed its motion. A copy of plaintiff's proposed second amended petition to cancel accompanies its motion.

In response, defendant argues that it (through its attorney) filed the combined §§8 and 15 affidavit in the customary fashion. However, the intention was to file only the §8 affidavit. Defendant argues there was no intent to deceive or to misrepresent the facts in this mistake and that defendant is withdrawing the affidavit with respect to §15.⁶ Defendant argues that it tried to work this out with petitioner and that petitioner is not prejudiced by the inadvertent §15 filing and subsequent withdrawal thereof. Thus, according to defendant, the proposed amended pleading is futile. Defendant believes that the motion, brought just before the opening of the first testimony period, is a delay tactic by petitioner. Defendant also notes that it is claiming, and plaintiff is so aware,

⁶ The TARR status database indicates that the §15 affidavit was abandoned on April 10, 2007.

that its activities in the United States constitute use in commerce. Thus, defendant contends that its §8 statement is not false.

As a general policy, leave to amend a pleading must be freely given when justice so requires. See Fed. R. Civ. P. 15(a). The Board liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party. See TBMP §507.02 (2d ed. rev. 2004). The question of whether an adverse party would be prejudiced by allowance of the amended pleading in a Board case is largely dependent on the timing of the motion to amend and the Board will liberally grant such motions when the proceedings are still in the pre-trial stage.

Plaintiff only learned of defendant's combined §§8 and 15 filing shortly before it filed its motion for leave to amend the pleading and long after the discovery period was closed. The additional claim of fraud is related, at least in part, to the claim of fraud in the procurement of the registration already made and is, thus, a continuation of the set of circumstances upon which plaintiff seeks to rely to prove its claim. As to defendant's intent to defraud, cases involving questions of intent are often said to be unsuited to resolution by summary judgment (or other pretrial motions). See, e.g., *Copelands' Enterprises Inc. v. CNV Inc.*, 945 F.2d 1563, 20 USPQ2d 1295, 1299 (Fed. Cir. 1991). Thus, it is appropriate for this matter to be

considered at trial, including defendant's intent in initially filing its §15 affidavit and later withdrawing it.⁷

Plaintiff indicates it does not need additional discovery on the claim it seeks now to include. There is no discovery defendant needs from plaintiff to defend against the new claims. The Board believes that inclusion of the additional allegations now, which are clearly related to the allegations of fraud already made, is in the interest of judicial economy.

Accordingly, plaintiff's motion for leave to file a second amended petition to cancel is granted and the second amended petition to cancel is noted and entered. In view of the suspension of this consolidated case, discussed later in this order, the time for defendant to file a formal answer is deferred. In the meantime, defendant's denial of the allegations of the second amended petition to cancel is presumed.

Plaintiff's motion to exclude the testimony of "late disclosed witnesses"

In support of its motion, plaintiff argues that defendant, on February 21, 2007, identified 12 trial witnesses, only two of whom were previously identified as potential trial witnesses and as persons most knowledgeable of the underlying dispute. They are Mr. Halabe and Mr. Noble. Plaintiff argues that it has no opportunity to depose the remaining ten witnesses as they were disclosed after discovery closed.

⁷ Thus, in the event proceedings are resumed, this case is going to trial. The parties are not permitted to bring any pretrial motions with respect to this added claim.

The Board's practice with respect to the identification of trial witnesses for cases which commenced prior to November 1, 2007 is well established:

A party need not, in advance of trial, identify the witnesses it intends to call, except that the names of expert witnesses intended to be called are discoverable. TMBP §414(7) (2d ed. rev. 2004).

Accordingly, plaintiff's motion to preclude the testimony of defendant's trial witnesses on the basis that they were disclosed late is denied.

The Board addresses now the number of potential witnesses identified, the two identified potential expert witnesses, and the identification of Mr. Santucci, defendant's counsel.

1. The number of potential witnesses.

Although not expressly prohibited, it is highly unusual for a party to depose twelve witnesses during its testimony period, even in a case presenting unusual and complicated fact patterns and claims. In this regard, a comparison is made with Fed. R. Civ. P. 30(a)(2)(A)(i), a discovery deposition rule, which suggests that ten is a limit for depositions, unless the parties otherwise stipulate to more or leave of the court is given.

The parties are reminded that the Board has limited jurisdiction to determine the right to register only. TMBP §102.02 (2d ed. rev. 2004). In view thereof, and in view of the discussion below, defendant may wish to consider calling fewer witnesses than the full twelve witnessed it identified.

2. Defendant's identified expert witnesses.

As discussed above, the identity of a party's expert witness is discoverable matter when such identity is known at the time of the response. That is, parties sometimes do not know if they will call an expert witness at the time they are asked for the identity of such a witness. Sometimes, parties do not decide to seek an expert until after discovery is closed.

Plaintiff argues that defendant's expert witnesses were not identified until February 21, 2007 (after the Board's January 11, 2007 order resumed proceedings) even though plaintiff had inquired earlier, including an updated inquiry August 25, 2006.

Defendant argues that, shortly after plaintiff's updated inquiry, proceedings were suspended until the Board issued its January 11, 2007 order, and that defendant updated its response shortly thereafter, identifying the expert witnesses. Defendant argues that the expert witnesses are intended to be used as fact witnesses as well because they have personal knowledge of the structure of the corporate entities owned or controlled by defendant Noble, as well as of his licensing arrangements and the Mexican registration which is the basis of the U.S. registration. Defendant also argues that it offered to make the witnesses available for a discovery deposition prior to testimony.⁸

Defendant responded to the discovery requests identifying its expert witnesses. The witnesses have not been disclosed late, as characterized by plaintiff. In accordance with the

⁸ This is a gratuitous offer because there is no requirement for a discovery deposition of the expert witnesses.

Board's order dated July 18, 2006, the discovery period closed on September 1, 2006. Plaintiff propounded its updated inquiry just six days before, on August 25, 2006. Thus, even if defendant has responded in the time allowed, thirty-five days from August 25, 2006, discovery was closed and plaintiff would not have been able to depose the experts. Consequently, the parties arguments concerning discovery depositions of these witnesses are given no further consideration. On September 30, 2006, before defendant's response was due, the Board suspended proceedings. Resumption did not occur until the Board issued its January 11, 2007 order resetting the schedule. Defendant identified the witnesses shortly thereafter and in advance of trial. Moreover, the topics which have been identified upon which the experts will testify, as compared with their anticipated testimony of defendant's operations based on their own knowledge, appear to be informational in nature and not directly of interest to the Board in determining the ultimate merits of this case. For example, information concerning trademark law in Mexico is likely to have very little relevance to this proceeding.

Accordingly, plaintiff's relief of seeking to preclude testimony by the identified expert witnesses is denied.

3. The identification of applicant's counsel, Mr. Santucci, as a potential witness.

The Board expresses its concern that defendant identifies Mr. Santucci as a potential witness. Plaintiff argues that it has advised defendant of the ethical prohibitions in Florida

concerning an attorney testifying on behalf of the client. Plaintiff indicates that it will be forced to move for disqualification, causing additional delay to this case, if Mr. Santucci intends to testify.

Defendant argues that Mr. Santucci needs to explain the results of an investigation defendant conducted in response to discovery testimony provided by plaintiff's witness, Ms. Delgado.

It is highly unusual for an attorney to testify on behalf of his or her client in a Board proceeding. By doing so, the attorney may be subject to disqualification because the conditions under which any testimony by an attorney for a client may be made are quite narrow. See USPTO Code of Professional Responsibility §10.63, 37 C.F.R. 10.63; and *Little Caesar Enterprises, Inc. v. Domino's Pizza, Inc.*, 11 USPQ2d 1233 (Comm'r Pat. 1989).⁹

At this time, and absent a motion to disqualify, the Board cannot preclude Mr. Santucci's testimony. After all, it may be determined that he is able to testify. However, the Board suggests that, if there is another witness available to testify to the results of the investigation, such person be identified instead of Mr. Santucci. This course appears most prudent.¹⁰

⁹ For a more recent, and extensive discussion, see also *Norac, Inc. v. Elementis Specialties, Inc.*, Opposition No. 91124364, Docket entry No. 48 (TTAB 8/31/04), available on-line using the TTABVUE database.

¹⁰ The Board does not address whether any implications exist under the ethical canons followed by the Florida State Bar. Mr. Santucci may wish to seek an advisory opinion from the State Bar.

Plaintiff's motion to strike the exhibits to defendant's response to plaintiff's motion to preclude testimony of witnesses and plaintiff's request for sanctions

Arguably, plaintiff's motion to strike is germane to its motion to preclude the testimony of witnesses, denied *supra*. Thus, even though it was filed after the March 21, 2007 order suspending proceedings, the Board considers the motion.

Plaintiff argues that the exhibits are composed of self-serving emails from defendant designed to intersperse extraneous references to settlement discussions and give the Board the impression that plaintiff is unreasonable or unwilling to discuss settlement. Plaintiff contends that it warned defendant not to use the emails; that the content of the emails is confidential and not admissible; and that the exhibits are used to circumvent the page limit to motions imposed by the Board on January 11, 2007. Plaintiff asks that the exhibits be stricken and that defendant be sanctioned, suggesting specific sanctions.

Defendant disputes that it was trying to avoid the page limit. Defendant argues that it submitted the emails to show its activity in trying to resolve the dispute about the identified witnesses and that plaintiff rejected its overtures. Defendant notes that not all communications suggesting settlement are confidential and that it did not attach any emails concerning substantive settlement issues.

It is clear from the length of time this proceeding has been pending, the conduct of the parties addressed in earlier orders, the number of times Board intervention has been sought, and the

increasing contentious tone between the parties that this case is not involved in any serious settlement discussions. Thus, there is no need for concern by the parties that the Board will misinterpret either party's stance here.

More importantly, however, is that the Board did not need even to look at the email exchange exhibits in coming to its determination with respect to plaintiff's motion to exclude the testimony of defendant's identified witnesses. As discussed at greater length above, for cases commenced prior to November 1, 2007, the case law and Board practice is clear that a party need not, in advance of trial, identify the witnesses it intends to call.¹¹ Had the parties familiarized themselves with Board practice, they would have known this.

Accordingly, plaintiff's motion to strike, and dependent request for sanctions, is denied.

Plaintiff's motion to exclude "late produced" documents

Plaintiff's motion to exclude documents it characterizes as "late produced" is denied because the motion was improperly filed after the Board suspended proceedings. The motion is not germane in any way to the motions which occasioned the suspension on March 21, 2007. Plaintiff is not at liberty to bring the motion again.

In effect, plaintiff presented a motion in limine. This legal device is not available in Board proceedings. Once

¹¹ At the very most, then, the Board would have needed to address only the identification of the expert witnesses and the status of defendant's attorney as a potential witness.

evidence is introduced, the adverse party may bring a motion to strike on procedural grounds. Such grounds are limited because it is the policy of the Board not to read trial testimony or examine other trial evidence prior to final decision. See TBMP §§532 and 533 (2d ed. rev. 2004). Otherwise, a party may make objections during the course of its adversary's testimonial deposition or when a notice of reliance is introduced. Then, the objections should be maintained in the objecting party's final brief. See generally TBMP §707 (2d ed. rev. 2004). Such objections may be based on the information or documents being willfully withheld during discovery. Of course, it must be determined that there was willful withholding.¹²

Proceedings suspended pending disposition of civil litigation

Plaintiff's motion to suspend proceedings pending disposition of civil litigation between it and a third party is granted. *Marrero Enterprises of Palm Beach, Inc. v. Estefan Enterprises, Inc.*, Case No. 06-81036-CIV-RYSKAMP in the United States District Court for the Southern District of Florida West Palm Beach Division. Defendant Roberto Noble explained that, on September 19, 2006, Marrero Enterprises of Palm Beach, Inc. ("Marrero") assigned all right, title and interest in its COCO BONGO marks to Mr. Noble. In the court case, Marrero seeks a

¹² The parties are referred to Carefirst of Maryland, Inc. v. FirstHealth of the Carolinas, Inc., 77 USPQ2d 1492 (TTAB 2005). The case is instructive in that it shows the Board's extreme displeasure at final where the parties have overreached in propounding objections to evidence. The parties here are cautioned.

declaratory judgment that, among other things, its mark are not infringing on Estefan Enterprises, Inc.'s marks.

It is the policy of the Board to suspend proceedings when the parties are involved in a civil action which may be dispositive of or have a bearing on the Board case. See Trademark Rule 2.117(a). In view of the relationship between Marrero and Noble, and the claims presented in the court case, a determination in the court case may have a bearing on this Board proceeding

Within twenty days after the final determination of the civil action, the interested party should notify the Board so that this case may be called up for appropriate action. During the suspension period the Board should be notified of any address changes for the parties or their attorneys.

Parties are reminded of sanction that may require them to appear

Proceedings are now suspended and may be resumed depending on the nature of the determination in the court cases. The Board remains cognizant of the parties' conduct in this proceeding. The parties are reminded again that they (and their attorneys) may be required to appear before the Board to explain their conduct in this proceeding. It is advised that the parties and their attorneys take the time occasioned by the suspension to familiarize themselves with the differences in the rules and practice in Board proceedings as compared to court proceedings. The parties are directed the Board's home page, <http://www.uspto.gov/web/offices/dcom/ttab/index.html>, where, in

Opposition No. 91121980 and Cancellation No. 92042251

addition to the TBMP, they may find the new rules, and a chart summarizing such rules, including the effective dates.

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