FILED
MARCH 12, 2008
MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

08 C 1483

GRIZZLY INDUSTRIAL, INC.	)	
	)	
Plaintiff,	)	
	)	Civil Action No.
v.	)	
	)	
PUCEL ENTERPRISES, INC.,	)	JUDGE DER-YEGHIAYAN
	)	MAGISTRATE JUDGE NOLAN
Defendant.	)	

COMPLAINT

Plaintiff, GRIZZLY INDUSTRIAL, INC., by its undersigned attorneys, for its Complaint against defendant PUCEL ENTERPRISES, INC. alleges as follows:

STATUTORY BASIS AND NATURE OF ACTION

1. By this action, pursuant to 15 U.S.C. § 1071(b)(1) of the Federal Trademark Act, plaintiff seeks judicial review and reversal of the Decision of the Trademark Trial and Appeal Board (the "TTAB" or the "Board") dated January 16, 2008, including, but not limited to, reversal of the following TTAB findings and rulings:

(a) Granting Opposition No. 91123506, and refusing registration of plaintiff's application Serial No. 76/088,346 (hereafter "'346") for the mark GRIZZLY.COM.

(b) Granting petition for Cancellation No. 920331984 and ordering that plaintiff's Registration No. 2,166,833 (hereafter "'833") for the mark GRIZZLY be cancelled.

(c) Granting petition for Cancellation No. 92032024 and ordering that plaintiff's Registration No. 2,413,625 (hereafter "'625) for the mark GRIZZLY be cancelled.

(d) Granting petition for Cancellation No. 92032025 and ordering that plaintiff's Registration No. 2,312,226 (hereafter "'226") for the mark GRIZZLY INDUSTRIAL be cancelled.

(e) That defendant's unpled common law use of its GRIZZLY trademark was tried by the implied consent of the parties, pursuant to F.R.C.P. 15(b).

(f) That plaintiff's unpled acquiescence defense was not tried by implied consent, pursuant to F.R.C.P. 15(b).

(g) That defendant's cease and desist letter of May 30, 2000 was not admissible to prove acquiescence, estoppel and laches on the ground that said letter was a settlement communication pursuant to F.R.C.P. 408.

(h) That five (5) instances of confusion [over a period of approximately twenty (20) years of concurrent use] are probative of whether confusion is likely.

(i) That there is a likelihood of confusion between plaintiff's and defendant's respective marks for goods and services described in plaintiff's application and registrations and the goods described in defendant's registrations.

2. Plaintiff also seeks a determination and ruling by the Court as to the following:

(a) That the testimony offered by Dr. Levy [plaintiff's marketing expert] is relevant and probative.

(b) Granting plaintiff's motion to amend application Serial No. 76088346 and Registration No. 2413625 to narrow the description of goods by deleting material handling equipment, and narrowing plaintiff's channels of trade by limiting the goods and services to products and services for woodworking and metal working.

(c) That defendant's cease and desist letters to plaintiff dated April 11, 2000 and May 30, 2000 constitute acquiescence and estoppel.

(d) That defendant's cease and desist letters to plaintiff dated April 11, 2000 and May 30, 2000 were not evidence of conduct or statements made in comprise negotiations.

(e) That plaintiff's and defendant's established trade channels and classes of purchasers are different.

(f) That the conditions under which sales are made preclude any likelihood of confusion.

(g) That the high degree of care exercised by plaintiff's and defendant's respective customers in purchasing plaintiff's and defendant's respective products precludes a likelihood of confusion.

(h) That defendant's mark is weak and only entitled to a narrow scope of protection.

THE PARTIES

3. Plaintiff GRIZZLY INDUSTRIAL, INC. is a Washington corporation located in Bellingham, Washington. Plaintiff is engaged in the business of manufacturing, distributing and selling metal and woodworking machines and equipment.

4. Defendant PUCEL ENTERPRISES, INC. is an Ohio corporation located in Cleveland, Ohio, and is engaged in the business of manufacturing, distributing and selling material handling equipment throughout the United States, including this district.

JURISDICTION AND VENUE

5. Jurisdiction is expressly conferred on this Court under 15 U.S.C. §§ 1121 and 1071(B) and 28 U.S.C. §§ 1331 and 1338(a).

6. Personal jurisdiction over defendant is vested in this Court since defendant has been and continues to engage in business in this district. In further support of jurisdiction, plaintiff alleges as follows:

(a) Defendant distributes its products nationwide in all fifty states, including in the Northern District of Illinois.

(b) One of defendant's largest customers is located in this district, and defendant has sold its products to this customer for the past 10 to 15 years. Defendant's customers also include in excess of five other large, well-known corporations located in this district.

(c) Defendant owns and operates a website, www.pucelgrizzly.com, which allows customers nationwide, including in the State of Illinois, to configure their orders, obtain quotes, and subsequently place orders to purchase defendant's products via the internet.

7. Venue is proper in the United States District Court for the Northern District of Illinois, Eastern Division, pursuant to 28 U.S.C. § 1391(b) and (c) because a substantial part of the events occurred in this district and defendant is subject to personal jurisdiction herein.

BACKGROUND

8. The TTAB decision dated January 16, 2008, relates to a consolidated proceeding involving one opposition and three cancellation actions, in which defendant, Pucel Enterprises,

Inc., was the opposer/petitioner, and plaintiff, Grizzly Industrial, Inc., formerly Grizzly Imports, Inc., was the applicant/registrant.

9. The founder, owner and current president of plaintiff founded Grizzly Imports, Inc. in 1983. In 1997, Grizzly Imports, Inc. changed its name to Grizzly Industrial, Inc. Since 1983, Plaintiff has been continuously selling woodworking and metal working tools and machinery under the name and mark Grizzly.

10. Defendant is engaged in the business of manufacturing and selling cabinets, tables, dollies and hand trucks. Defendant sells its products under the names Pucel Enterprises, Pucel, Pucel/grizzly, and grizzly equipment.

11. Plaintiff is the owner of U.S. Registration No. 2,166,833, dated June 23, 1998, for the mark GRIZZLY for woodworking and metal working machinery in International Class 7. The underlying application was filed in 1996 and was published for opposition on September 16, 1997. The application alleged a date of first use of 1983. Defendant did not oppose the application from which this registration issued.

12. Plaintiff is the owner of U.S. Registration No. 2,413,625, dated December 19, 2000, for the mark GRIZZLY for woodworking and metal working machinery and tools, e.g., saws and drill presses in International Classes 6, 7, 8, 9 and 16, and mail order services for woodworking and metal tools and machinery in Class 35. The underlying application was filed in 1999 and was published for opposition on September 26, 2000. The application alleged dates of first use of 1983 for some goods and 1986 for the remaining goods. Defendant did not oppose the application from which this registration issued.

13. Plaintiff is the owner of U.S. Registration No. 2,312,226, dated January 25, 2000, for the mark GRIZZLY INDUSTRIAL for woodworking and metal working machinery in

International Class 7. The underlying application was filed in 1997 and was published for opposition on February 23, 1999. The registration, as amended (motion and amendment are pending), alleges a date of first use of August 1997. Defendant did not oppose the application from which this registration issued.

14. Plaintiff is the owner of U.S. Application Serial No. 76/088,346, filed July 10, 2000, for the mark GRIZZLY.COM for retail store services, on-line retail store services and mail order services featuring woodworking and metal working machinery and tools in International Class 35. The application was published May 15, 2001, and alleged a date of first use of June 30, 1999.

15. On May 30, 2000, the attorneys for defendant sent a letter to plaintiff's attorneys stating, among other things, the following:

> **While we do not have a problem with your client's use of Grizzly in conjunction with wood-working equipment**, we are extremely concerned with and object to your client's crossing into our client's product line. In this regard, we must reiterate our demand and request that Grizzly Industrial, Inc. discontinue all use of Grizzly in conjunction with materials handling products such as storage cabinets, file cabinets, mobile door cabinets, portable workbenches, machine cabinet stands, heavy duty tool stands, assembly stools, welding benches, workbenches, workbench cabinet units, workstations, utility tables and carts, mobile tables and carts, hydraulic lift top tables, portable writing tables and carts, box carts, shop tray trucks, hopper tables, stock carts, shop trucks, ladder stock carts, shelf trucks, hand dump trucks, rollover dump trucks, rollover box trucks, box truck, shelf trucks, garment trucks, dolly platform trucks, portable bins and shelf carts, all-purpose hand trucks, drum and can handling equipment, shelving, racks and the like.

The letter also admits that defendant had long been aware of plaintiff "doing business under the name of Grizzly Imports which dealt solely in woodworking equipment." In the mid-80s, plaintiff received in the mail one of defendant's catalogs. Defendant's president ordered a D&B report on plaintiff in 1995, but did not take any action.

16. In May 2001, defendant filed a notice of opposition against Grizzly Industrial, Inc.'s '346 application for the mark GRIZZLY.COM, and defendant also filed petitions for cancellation against plaintiff's '625, '833 and '226 registrations for the marks GRIZZLY and GRIZZLY INDUSTRIAL.

17. Defendant's basis for the opposition and three cancellation proceedings were identical. Defendant relied on six (6) registrations, namely, three (3) registrations for the mark "grizzly" in lower case script and three (3) registrations for the design of a bear head within a circle. Defendant's Registration No. 624,055 covers "shop equipment, namely, tables, benches, cabinets, racks, shelves, stands, desks and parts thereof" in International Class 20. Defendant's Registration No. 704,529 covers "box trucks, dump trucks, hand trucks, dollies and wheeled platforms, wheeled racks and wheeled tables" in International Class 12. Defendant's Registration No. 704,589 covers "drum lifters, tilting arcs, drum cradles, drum up-enders and hoist hooks" in International Class 7. Registration Nos. 704,588; 704,631; and 704,530 for the bear head in a circle design cover the same goods covered by defendant's '055, '529 and '589 Registrations.

18. In reliance on defendant's letter of May 30, 2000, plaintiff filed a motion to amend the '625 registration and the '346 application. The motion and amendments were not decided by the TTAB. The amendments delete certain goods, namely, material handling equipment of the type identified in defendant's registrations and in the letter of May 30, 2000. Moreover, the amendments limited plaintiff's channels of trade to woodworking and metal working tools and machinery.

19. Specifically, in Application Serial No. 76/088,346, the amendment narrows the description of the services and the channels of trade. The beginning of the amended description of the services is as follows:

retail store services, online retail store services, and mail order services featuring **products for woodworking and metal working, namely services featuring . . .**

(Emphasis to show the changes). The amendment also deletes from this application "services featuring dollies, hand trucks, storage bins, tool tables, sliding tables, and material handling equipment, namely carts, casters and wheels, mobile bases, outfeed tables and stands, roller stands, rollers, tables, and work stands."

20. The amendment for Registration No. 2,413,625 narrows the description of services for Class 035 to refer to "mail order services **for products for woodworking and metal working, namely services** featuring . . .". The description of goods in Class 008 has similarly been limited to **woodworking and metal working** hand tools, namely . . . ". The description of goods in Class 009 is now limited to "**Woodworking and metal working** measuring equipment, namely, dial indicators, dial calibrators, digital calipers and instruments, and measuring tapes; software, namely, software for disseminating information related to wood and metal working and wood and metal working equipment through a global information network; magnetic switches."

21. In addition to filing the amendments, plaintiff stopped using the mark GRIZZLY on material handling equipment, and substituted the mark PANTHER.

22. Material handling equipment is a negligible part of plaintiff's business and accounts for less than one-half percent (½ %) of plaintiff's annual sales.

23. Plaintiff and defendant advertise and sell in completely different channels of trade to different customers, and the manner and conditions under which plaintiff and defendant sell their respective goods obviates any likelihood of confusion.

24. Both plaintiff and defendant sell expensive goods directly to sophisticated and discriminating purchasers.

25. Numerous third party registrations demonstrate the lack of exclusivity of defendant's "grizzly" mark and the weakness thereof.

26. There has been concurrent use for over twenty-three years with eight or less alleged instances of actual confusion.

27. Defendant's registered marks are (a) the word "grizzly" in lower case script form, and (b) a bear design as follows:

Grizzly

Plaintiff's registrations are for the marks GRIZZLY and GRIZZLY INDUSTRIAL and plaintiff's pending application is for the mark GRIZZLY.COM.

28. Defendant's registrations are for furniture in Class 20, namely, tables, benches, cabinets, racks, shelves, stands and desks; hand vehicles in Class 12, namely, hand trucks, dollies, wheeled platforms, wheeled tables and wheeled racks; and drum lifters, tilting arcs, drum cradles, drum up-enders and hoist hooks in Class 7.

29. The description of goods in defendant's registrations do not include the woodworking and metal working tools and machinery covered by plaintiff's application and registrations.

30. Defendant's registrations do not include any services.

31. Plaintiff's registrations and pending applications, as amended, cover woodworking and metal working machinery and tools such as saws and drill presses, and retail store services, online retail store services and mail order services featuring products for woodworking and metal working. Plaintiff's registrations and applications, as amended, do not cover any of the goods listed in defendant's registrations.

32. Plaintiff's and defendant's products are sold in entirely different channels of trade. Plaintiff's and defendant's products are not sold in the same stores, are not sold in the same catalogs, are not sold at the same trade shows, are not advertised in the same publications, and are not sold on the same websites.

33. Plaintiff's woodworking and metal working products and services are offered exclusively and directly through plaintiff's mail order catalogs, plaintiff's website, plaintiff's toll-free phone order system and three Grizzly Industrial retail showroom stores. Plaintiff's products are not sold through distributors, are not sold to wholesalers, and are not sold in third party catalogs or in any retail stores other than plaintiff's three showroom stores.

34. Most of plaintiff's orders are from plaintiff's catalogs, and orders are taken mostly over the phone via toll-free numbers from plaintiff's catalogs and advertising. Plaintiff distributes about two million catalogs annually. Customers place the call, talk to one of plaintiff's order agents, and place an order. Plaintiff's customers also mail orders in pre-printed envelopes addressed to plaintiff. The pre-printed envelopes are included in plaintiff's catalog. Plaintiff also sells over its website which prominently displays plaintiff's name. Finally, plaintiff sells from its three GRIZZLY INDUSTRIAL retail showroom stores.

35. Defendant displays its products in catalogs, and distributes approximately 15,000 catalogs per year. Most product catalogs distributed by defendant are sent out in response to a request for a catalog.

36. Plaintiff and defendant do not attend the same trade shows. In the over twenty years that plaintiff and defendant have concurrently used their respective marks, plaintiff's president testified that he has never seen defendant at a trade show attended by plaintiff, and

defendant's president testified that he has never seen plaintiff at a trade show attended by defendant.

37. Plaintiff and defendant do not advertise in the same publications. Plaintiff has been advertising in woodworking and metal working trade publications since 1983. Plaintiff has never noticed an advertisement by defendant in any publication in which plaintiff has ever advertised, and defendant has never seen an advertisement for plaintiff's products in any publication in which defendant has ever advertised.

38. Defendant's customers have not changed since the 1950s when defendant was founded. Defendant's customers are primarily factories, warehouses and laboratories.

39. Defendant's phone is answered "Pucel Enterprises." Defendant's customers often request custom designs. It is common for defendant's customers to request that defendant incorporate optional features offered by defendant to fit customers' particular needs.

40. Direct contact with customers is also the manner in which plaintiff's sales are made. Most of plaintiff's orders are taken over the phone. At the retail store level, plaintiff's products are sold only in plaintiff's three retail showroom stores.

41. Plaintiff and defendant target different customers, and their respective customers are sophisticated, discriminating purchasers. Historically, approximately half of defendant's advertising budget is spent on the Thomas Register. The Thomas Register is directed to "engineers, industrial companies, manufacturing companies." The other publications in which defendant advertises are also directed to industrial plants and warehouses. Defendant's advertising is also directed to the printing industry. Most of defendant's customers have some level of experience in purchasing products like defendant's, and they know defendant. The average order from defendant is approximately $500 to $800.

42. Plaintiff targets homeowners engaged in woodworking and metal working. Woodworking customers account for about 85% of plaintiff's business. Plaintiff's products are not purchased on impulse. Plaintiff's tools and machinery require a significant level of knowledge and skill to operate. Plaintiff advertises a customer service telephone number for customers to use when ordering because customers often ask for the product's specifications or have technical questions about the product they are purchasing.

43. Moreover, plaintiff's goods are expensive, averaging $200, and 85% of plaintiff's orders are over $150; plaintiff's machinery ranges in price from $100-$40,000.

44. The term "Grizzly" is commonly used as a trademark. There are at least 28 federal registrations for the mark GRIZZLY and GRIZZLY combined with other words or terms for various types of products, including, but not limited to, the following: Tracker Marine (Grizzly boats), Pentair Pump Group (Grizzly pumps and gears), Grizzly Manufacturing (drill bits), and Yamaha (Grizzly four-wheel all terrain vehicle).

45. Plaintiff is not aware of even one instance of confusion, i.e., plaintiff never received a purchase order or phone call intended for defendant.

46. Defendant is not aware of any instance where defendant ever lost a sale to plaintiff, and defendant is not aware of any instance where anyone purchased one of plaintiff's products intending to purchase defendant's product.

47. The parties have been concurrently and extensively advertising and using their respective marks for over twenty-four (24) years.

CAUSE OF ACTION
APPEAL OF TTAB ORDER

48. Plaintiff realleges and incorporates by reference the allegations of paragraphs 1 - 47.

49. The January 16, 2008 decision of the TTAB is a final decision subject to review by the Court under Section 21 of the Trademark Act, 15 U.S.C. § 1071(b). Plaintiff elects to seek recourse by civil action under 15 U.S.C. § 1071(b) for reversal of the TTAB's decision dated January 16, 2008. A copy of the decision is attached as Exhibit 1.

50. Plaintiff asserts that the TTAB erred in sustaining Opposition 91123506 and Cancellation Nos. 92031984, 92032024 and 92032025, and plaintiff seeks review and reversal of the TTAB's decision on the following grounds:

(a) the TTAB's decision was arbitrary, capricious and an abuse of discretion;

(b) the TTAB's findings were contrary to the evidence and/or were not supported by substantial evidence, and the TTAB's conclusions of law were clearly erroneous; and

(c) a de novo review of the TTAB record and additional evidence which plaintiff intends to present to this Court for de novo consideration will be grounds for reversal.

51. Based on its substantial investment in its GRIZZLY marks for over 25 years, plaintiff has acquired substantial goodwill and recognition in its GRIZZLY marks, and will suffer significant and irreparable damage if it is not allowed to register GRIZZLY.COM and to maintain registrations for its GRIZZLY and GRIZZLY INDUSTRIAL marks.

PRAYER FOR RELIEF

WHEREFORE, plaintiff respectfully requests that:

A. Judgment be entered reversing and vacating the TTAB's decision dated January 16, 2008;

B. The Court find that plaintiff is entitled to register the marks GRIZZLY, GRIZZLY INDUSTRIAL and GRIZZLY.COM for the goods and services described in application Serial No. 76/088,346 and Registration Nos. 2,166,833; 2,312,226; and 2,413,625;

C. The Court direct the Commissioner of Trademarks, pursuant to 15 U.S.C. § 1071, to grant plaintiff's application, Serial No 76/088,346 for registration of the mark GRIZZLY.COM;

D. The Court grant plaintiff's motion to amend application Serial No. 76/088,346 and Registration No. 2,413,625; and

E. The Court grant such other and further relief to which plaintiff is entitled.

Dated: March 12, 2008

Respectfully Submitted,

/Joseph F. Schmidt

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