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

MBA

Mailed: July 20, 2009

Opposition No. 91156005

Opposition No. 91156138

Fox Entertainment Group,  
Inc. and Twentieth Century  
Fox Film Corporation

v.

Ivy Silberstein

**Before Seeherman, Rogers and Taylor, Administrative  
Trademark Judges**

**By the Board:**

Opposition No. 91156138 now comes up for consideration of opposers' motion for summary judgment, filed June 20, 2008. The motion is fully briefed.

Background

This case is one in a series of Board and federal court proceedings between the parties, all of which involve applicant's claim of rights in a fictional character named SQRAT. In this proceeding, opposers are challenging applicant's application to register SQRAT, in typed format, for "merchandising of movies and television programs."<sup>1</sup>

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<sup>1</sup> Application Serial No. 78095659, filed November 29, 2001, based on a claimed date of first use in commerce of October 1999.

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Specifically, in their notice of opposition, opposers allege that in June 2001 they began promoting the film Ice Age, one of the characters in which is named "Scrat," and that the movie was released in March 2002. As grounds for opposition, opposers allege that: (1) applicant "has made no sales of any goods or services bearing the SQRAT mark ... except for the sale (at cost) of three t-shirts, and Applicant has not spent any appreciable funds on any advertising"; (2) the specimen of use submitted with the application "demonstrates that [the mark] has not been used in commerce in connection with any goods or services" because it "is nothing more than an alleged title page of a single, unproduced script"; (3) applicant's mark "is a merely descriptive conjunction that describes a squirrel/rat animal"; and (4) applicant's claim of use in her application "was false in that the true facts were that at the time of the filing of the Opposed Application Applicant had not made any use in commerce" and therefore applicant committed fraud on the Office. In her answer, applicant denies the salient allegations in the notice of opposition.

The parties hereto were previously involved in a federal court action in which applicant herein alleged copyright and trademark infringement arising out of opposers' development and use of the "Scrat" character (the

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"Federal Case"). The district court entered summary judgment in opposers' favor in the Federal Case on all of applicant's claims, which were dismissed, and the district court's decision was affirmed by the U.S. Court of Appeals for the Second Circuit. Silberstein v. Fox Entertainment Group Inc., 424 F.Supp.2d 616, 75 USPQ2d 1086 (S.D.N.Y. 2004), aff'd in nonprecedential decision, Silberstein v. Does 1-10, 242 Fed. Appx. 720, 82 USPQ2d 1958 (2d Cir. 2007). In dismissing applicant's trademark infringement claims in the Federal Case, the court found that applicant did not make use of, and therefore had no trademark rights in, SQRAT. Id., 75 USPQ2d at 1097-98.

The parties have also been involved in a number of Board proceedings,<sup>2</sup> of which only two, including Opposition No. 91156005, remain pending.<sup>3</sup> In Opposition No. 91157466, involving applicant's use-based application to register SQRAT for "production of an on-going television series featuring cartoon characters and stories,"<sup>4</sup> the Board granted as conceded opposers' motion for judgment based on the decision in the Federal Case. Opposers' claims in

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<sup>2</sup> Opposition Nos. 91156005, 91157455, 91157466, 91157532 and 91157818.

<sup>3</sup> By this order we are consolidating the only other pending proceeding (Opposition No. 91156005) with this one.

<sup>4</sup> Application Serial No. 76399756, filed April 22, 2002, claiming July 1999 as the date of first use in commerce.

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Opposition No. 91157466 were virtually identical to their claims in this proceeding.

Opposers' Motion and Applicant's Response and Cross-Motion

Opposers do not specifically indicate the claims on which they seek summary judgment, but assert that summary judgment is appropriate "on the basis that the claims made in the Opposed Application ... are barred by res judicata and collateral estoppel, by virtue of final judgments in two prior proceedings," specifically Opposition No. 91157466 and the Federal Case. With respect to Opposition No. 91157466, opposers argue that the Board's decision sustaining that opposition was a "final judgment on the merits," that the parties in that case were the same as those here and that the subject application in this proceeding "claims rights to registration that 'could have been raised'" in Opposition No. 91157466. Opposers further argue that "[t]he issue of whether Applicant had used the SQRAT mark in commerce at the time she filed her application at issue" in this proceeding "was raised, litigated and fully adjudicated" in the Federal Case. Therefore, applicant "cannot now seek to register her mark on the basis of use and under the doctrine of collateral estoppel, there being no genuine issue of material fact with respect to use, Opposers' motion for summary judgment should be granted."

Rather than contesting opposers' motion on the merits, applicant cross-moves to amend her application "from an actual use basis under 15 U.S.C. Section 1051(a) to an intent-to-use basis under 15 U.S.C. Section 1051(b)," and, if her cross-motion is granted, applicant "consents to judgment with respect to the original 1051(a) basis application." However, "[i]n the event that this Motion to Amend is not granted, Applicant does not consent to summary judgment and requests additional time in which to oppose Opposers' Motion" on the merits.

In their combined reply brief in support of their motion for summary judgment and in opposition to applicant's cross-motion, opposers claim that applicant "concedes, as she must, that her use-based Application must be rejected." Opposers further claim that the cross-motion is untimely.

Applicant chose to ignore the prior judgments establishing her lack of use, necessitating Opposers' motion for summary judgment on the basis of *res judicata* and collateral estoppel. It is only now, when faced with Opposers' dispositive motion, that Applicant seeks to amend *nunc pro tunc*.... Allowing applicant to amend now to an ITU effectively erases seven years of proceedings and allows Applicant to start over without consequence.

Finally, opposers claim that even if the cross-motion is granted, "the Application must fail," because applicant committed fraud on the Office, rendering the application void *ab initio*.

Decision

Here, as in Sinclair Oil Corp. v. Kendrick, 85 USPQ2d 1032 (TTAB 2007), “[w]e turn first to applicant’s [cross-] motion to amend the filing basis of the involved application to Section 1(b).” Id. at 1033. As a preliminary matter, we find that applicant’s cross-motion is timely, because this proceeding was suspended for a significant period of time pending resolution of the Federal Case, and following resumption, the parties were apparently discussing the possibility of settlement, leading to another suspension of proceedings.

Turning to the merits of the motion, in general motions to amend the filing basis of an application from use-based to intent-to-use may be granted if the application “meets all the requirements for a Section 1(b) filing basis,” unless there is “contradictory evidence in the record” to overcome the presumption that the applicant has a “continuing valid basis” for the application. Id. In this case, while there is no evidence in the record sufficient to overcome the presumption that applicant has a continuing valid basis for the application, “[i]n an application under Section 1(b), an applicant must verify that it has a *bona fide* intent to use the mark in commerce on or in connection with the goods or services listed therein.” Id. Applicant has not submitted the required verification. Accordingly,

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applicant's motion to amend is hereby **CONDITIONALLY GRANTED**, provided that applicant files with the Board an acceptable verification of her *bona fide* intent to use the mark in commerce, within **THIRTY DAYS** of the mailing date of this order. If applicant fails to provide the required verification within the time provided, applicant's cross-motion to amend will be denied.

Turning next to opposers' motion for summary judgment, it is well-settled that summary judgment is only appropriate where there are no genuine issues of material fact in dispute, thus allowing the case to be resolved as a matter of law. Fed. R. Civ. P. 56(c). The party seeking summary judgment bears the burden of demonstrating the absence of any genuine issue of material fact, and that it is entitled to a judgment under the applicable 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). 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 American 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).

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The evidence on summary judgment must be viewed in a light most favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor.

Lloyd's Food Products, Inc. v. Eli's, Inc., 987 F.2d 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993); Opryland USA, supra.

The Board may not resolve issues of material fact; it may only ascertain whether issues of material fact exist. See Lloyd's Food Products, 25 USPQ2d at 2029; Olde Tyme Foods, 22 USPQ2d at 1542. In this case, opposers have established that there is no genuine issue of material fact and that they are entitled to summary judgment on their claim that applicant has not used her mark as a matter of law.

Indeed, now that her cross-motion has been conditionally granted, applicant's contingent concession to entry of "judgment with respect to its (sic) original 1051(a) basis application" becomes effective. Furthermore, the collateral estoppel doctrine (also referred to as "issue preclusion"), "operates to preclude the relitigation, by the same parties or their privies, of issues actually litigated, and necessarily determined ... in a prior proceeding, whether or not the prior proceeding involved the same claim as the subsequent proceeding." Flowers Industries Inc. v. Interstate Brands Corp., 5 USPQ2d 1580, 1583 (TTAB 1987); see also, Allen v. McCurry, 449 U.S. 90, 94 (1980) ("once a court has decided an issue of fact or law necessary to its

judgment, that decision may preclude relitigation of the issue on a different cause of action involving a party to the first case.”) (citing Montana v. United States, 440 U.S. 147, 153 (1979)). Here, there is no genuine issue of material fact that in the Federal Case the parties hereto litigated the issue of applicant’s alleged trademark use of SQRAT, or that the court’s final decision on the merits held that applicant has not used the mark in commerce.

Furthermore, the court examined applicant’s purported evidence of use at the time applicant filed the involved application. Silberstein v. Fox Entertainment Group Inc., 75 USPQ2d at 1088, 1097-98. Therefore, applicant is barred by collateral estoppel from asserting use of SQRAT at the time she filed her application.<sup>5</sup> For all of these reasons, opposers’ motion for summary judgment is hereby **GRANTED** with respect to opposer’s claim of nonuse of the mark. Despite this ruling, in view of applicant’s anticipated perfection of her proposed amendment of the basis of her application, a valid basis for the application will remain, and therefore the application itself, remains. Thus, if opposers are to

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<sup>5</sup> While opposers have argued the preclusive effect of both the Federal Case and of Opposition No. 91157466, no issue preclusion can stem from any of the Board proceedings, since they were disposed of without trial of any issues. Furthermore, claim preclusion does not apply, because in this case, the subject application is now based on an intent-to-use the mark in commerce, whereas the subject application in Opposition No. 91157466 was use-based.

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succeed in their opposition, they must establish their entitlement to judgment on another of their pleaded grounds.

Neither our ruling herein nor applicant's anticipated perfection of the amendment of the filing basis of her application fully resolves opposers' pleaded claim of fraud. The amendment of an application from use-based to intent-to-use when there was no use at the time of filing the application "does not protect the application from a fraud claim." Sinclair Oil, 85 USPQ2d at 1033 (citing Grand Canyon West Ranch LLC v. Hualapai Tribe, 78 USPQ2d 1696 (TTAB 2006)). Thus, applicant cannot defeat opposers' ground of fraud merely by amending her application. On the other hand, our finding that applicant is precluded from claiming use of her mark at the time of filing of the application establishes one element of opposers' fraud claim. However, in this case, unlike Sinclair Oil, there remains a genuine issue of material fact regarding whether applicant "knew or should have known" that her claim of use as of the filing date of the application was false. See, Silberstein v. Fox Entertainment Group Inc., 75 USPQ2d at 1088 (applicant "took some further steps to generate interest in her Sqrat, including attending a trade show for buyers and sellers of new animated characters," and producing and distributing "promotional items" bearing the character); Maids to Order of Ohio, Inc. v. Maid-to-Order,

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Inc., 78 USPQ2d 1899, 1906-07 (TTAB 2006) (respondent's president "had a reasonable basis for her belief that [respondent] had used/was using" respondent's mark in commerce) ; see also, Copelands' Enterprises Inc. v. CNV Inc., 945 F.2d 1563, 20 USPQ2d 1295, 1299 (Fed. Cir. 1991) ("As a general rule, the factual question of intent is particularly unsuited to disposition on summary judgment."). Therefore, to the extent opposers seek summary judgment on their claim of fraud, the motion is **DENIED**.<sup>6</sup>

Accordingly, while we have granted summary judgment to opposers on their claim of nonuse with respect to the original application, and partial summary judgment to opposers on their fraud claim, specifically, on the nonuse element, this case will proceed on the remaining elements of opposers' fraud claim and on opposers' claim of mere descriptiveness. We construe opposers' claim that applicant's specimen of use was inadequate as a mere amplification of their claim of nonuse, rather than a separate ground for opposition. General Mills Inc. v.

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<sup>6</sup> The parties should note that the evidence submitted in connection with the motion for summary judgment is of record only for consideration of that motion. To be considered at final hearing, any such evidence must be properly introduced in evidence during the appropriate trial period. See Levi Strauss & Co. v. R. Josephs Sportswear Inc., 28 USPQ2d 1464 (TTAB 1993); Pet Inc. v. Bassetti, 219 USPQ 911 (TTAB (1993); American Meat Institute v. Horace W. Longacre, Inc., 211 USPQ 712 (TTAB 1981). Furthermore, the fact that we have identified certain genuine issues of material fact sufficient to deny in part opposers' motion should not be construed as a finding that these are necessarily the only issues which remain for trial.

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Health Valley Foods, 24 USPQ2d 1270, 1273 n. 6 (TTAB 1992);  
Century 21 Real Estate Corp. v. Century Life of America, 10  
USPQ2d 2034, 2035 (TTAB 1989).

Consolidation

A review of the files in Opposition Nos. 91156005 and 91156138 reveals that both proceedings involve identical parties, closely related applications and similar or identical issues. When cases involving common questions of law or fact are pending before the Board, the Board may order consolidation of the cases. See Fed. R. Civ. P. 42(a); see also, Regatta Sport Ltd. v. Telux-Pioneer Inc., 20 USPQ2d 1154 (TTAB 1991). Accordingly, Opposition Nos. 91156005 and 91156138 are hereby consolidated.

The consolidated cases may be tried and presented on the same record and briefs. See Helene Curtis Indus. Inc. v. Suave Shoe Corp., 13 USPQ2d 1618 (TTAB 1989); Hilson Research Inc. v. Soc'y for Human Res. Mgmt., 27 USPQ2d 1423 (TTAB 1993).

The Board file will be maintained in Opposition No. 91156005 as the "parent" case. With the exception of pleadings, from this point on the parties need only file papers or motions in the parent case, whether the filing is by mail or through ESTTA; but any submission should bear both proceeding numbers in its caption.

Despite being consolidated, each proceeding retains its separate character. The decision on the consolidated cases shall take into account any differences in the issues raised by the respective pleadings; a copy of the decision shall be entered in each proceeding file.

Conclusion

Opposers' motion for summary judgment is granted with respect to opposers' claim of nonuse and granted in part with respect to opposers' claim of fraud. Proceedings herein are resumed. Discovery and trial dates are reset as follows:

Discovery Period to Close:	October 12, 2009
30-day testimony period for party in position of plaintiff to close:	January 10, 2010
30-day testimony period for party in position of defendant to close:	March 11, 2010
15-day rebuttal testimony period to close:	April 25, 2010

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