

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK
OFFICE

Butler/GFR

C.F.M DISTRIBUTING, INC.,)	
)	
Opposer)	Opposition No. 91185766
)	
v.)	On Petition for
)	Disqualification
)	
Theresa Costantine, as)	Mailed: June 24, 2010
Personal representative for)	
The Estate of Richard)	
Costantine)	
)	
Applicant)	
)	
)	
Original Maryland Fried)	
Chicken LLC)	
)	
Opposer)	Opposition No. 91187377
)	Opposition No. 91187378
)	
v.)	
)	
Theresa Costantine, as)	
Personal representative for)	
The Estate of Richard)	
Costantine)	

DECISION DENYING PETITION FOR DISQUALIFICATION

Rogers, Acting Chief Administrative Trademark Judge:¹

Applicant is seeking to register the marks MARYLAND FRIED
CHICKEN COMPLETE DINNERS TO GO! and design (all wording

¹ Authority to decide petitions seeking disqualification of attorneys in cases before the Trademark Trial and Appeal Board has been delegated to the Chief Administrative Trademark Judge. TBMP § 513.02 (2d ed. rev. 2004).

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disclaimed)² and a design of two chickens³ both for "restaurant services, including sit-down service of food and take-out restaurant services."

On September 18, 2009, C.F.M. Distributing Company, Inc. (hereinafter also "CFM"), opposer in Opposition No. 91185766, moved to disqualify applicant's counsel, Matthew G. McKinney, Esq. on the basis that he is a managing member of a third-party company that is selling franchises under the mark in dispute. Applicant filed a response contesting the motion and opposer filed a reply thereto. Petitions to disqualify a practitioner in *ex parte* or *inter partes* matters in the Office are not governed by §§ 11.19 through 11.60 and will be handled on a case-by-case basis under such conditions as the USPTO Director deems appropriate.

In an order dated September 25, 2009, the Board consolidated Opposition No. 91185766 with Opposition Nos. 91187377 and 91187378. The latter two proceedings were brought by Original Maryland Fried Chicken, LLC. In response to the Board's order of December 29, 2009, CFM states that the pending petition to disqualify is applicable only to Opposition No. 91185766 because the two opposers are not represented by the

² Application Serial No. 77402411 is the subject matter of Opposition Nos. 91185766 and 91187377.

³ Application Serial No. 77497042 is the subject matter of Opposition No. 91187378.

same counsel and CFM's petition to disqualify is related to the discovery requests sent only to CFM. Accordingly, the following discussion relates only to that opposition, except where otherwise noted.

FACTS

1. This proceeding commenced on August 13, 2008 with the filing of CFM's notice of opposition.⁴ On October 14, 2009, opposer filed a second amended notice of opposition.⁵ CFM alleges that it offers "... distribution services including the distribution of its proprietary coleslaw and breading mix as well as paper products bearing the Mark to independent Maryland Fried Chicken restaurants that use the mark," including applicant. Second amended notice of opposition para. Nos. 3, 14 and 17. Opposer's asserted claims are: priority of use and likelihood of confusion; applicant is not the owner of the mark;

⁴ CFM's original and first amended notices of opposition were filed against applicant Richard Costantine. On October 14, 2008, CFM notified the Board of Mr. Costantine's death. Subsequently, his estate, through his personal representative, Theresa Costantine, was substituted as the party-defendant.

⁵ The Board, in its September 25, 2009 order, allowed each opposer time to file an amended notice of opposition. CFM, as noted, filed its second amended notice of opposition on October 14, 2009. Original Maryland Fried Chicken, LLC filed its amended notice of opposition on October 15, 2009. Applicant, on October 20, 2009, moved to strike the amended notices of opposition as being improperly filed during a period of suspension. Such motion is fully briefed and is denied. Opposers did not act improperly in filing amended notices of opposition within the time frame set by the Board on September 25, 2009 notwithstanding the concurrent suspension of proceedings by the Board. The amended notices of opposition filed by each opposer are noted and entered and are opposers' operative pleadings for the respective oppositions. The time to answer these amended oppositions is set *infra*.

fraud based on applicant's assertion, to the USPTO, of ownership of the mark; and abandonment of rights, if any existed, in the mark through naked licensing, absence of quality control and extensive third-party use of the mark. *Id.* para. Nos. 7, 18-23, 24-30, and 32-34.

2. Exhibit B to CFM's second amended notice of opposition (as well the earlier complaints) is a list, already disclosed, "... of the independent Maryland Fried Chicken Restaurants that Opposer distributes to."

3. Subsequent to the commencement of this proceeding, applicant's attorney registered the website www.marylandfriedchickenfranchise.com. Motion to disqualify, Exhibits A and B. The contact information is the address and phone number for applicant's attorney. *Id.*, Exhibits D, E and F. Applicant's attorney and applicant's relatives, Michael and Anthony Costantine, have set up a limited liability company, MTM Enterprises Group, LLC. (hereinafter also "MTM"). *Id.* at p. 2, and Exhibit G. MTM offers MARYLAND FRIED CHICKEN franchises to prospective purchasers. *Id.*, Exhibit C. Applicant's attorney is a managing member of MTM and is entitled to a distribution of profits. *Id.*, Exhibits G and H. Applicant's attorney also serves as corporate counsel for MTM. Applicant's response to motion to disqualify, at fn. 1. Applicant's attorney has served written discovery requests on opposer. Motion to disqualify,

Exhibits I and J; and applicant's response to motion to disqualify, Exhibit B.

4. The Board's standardized protective order governing the exchange of confidential and proprietary information and materials is in place for this proceeding. Trademark Rule 2.116(g), 37 C.F.R. §2.116(g); and applicant's response to motion to disqualify, Exhibit A.

ARGUMENTS

Opposer argues that MTM sells franchises under the mark in dispute; that Mr. McKinney, when he became a managing member of MTM, acquired a proprietary and financial interest in this litigation; and that Mr. McKinney is using his position as applicant's attorney to gain access to confidential and proprietary information about opposer's business for his own benefit as a managing member of the MTM. Opposer contends it should not have to answer discovery requests or produce documents concerning the sources of its coleslaw and breading mix, customer lists, invoices with customer contact information, sales figures, and sources of advertising to Mr. McKinney, who is now a direct competitor of opposer. Acknowledging the existence of the standardized protective order, opposer points out that its responses would not be protected from disclosure to

MTM even with an ATTORNEY'S EYES ONLY designation because of Mr. McKinney's position as a managing member of MTM.⁶

In response, Mr. McKinney states he is not the applicant and has no proprietary or monetary interest in the outcome of this proceeding and, consequently, there is no conflict of interest. Mr. McKinney argues that disqualification would result in a substantial hardship to applicant because Richard Costantine was one of the Costantine brothers who originally started Maryland Fried Chicken restaurants; Mr. McKinney is the only attorney having privileged discussions with him regarding this matter; and any new counsel would be unfamiliar with the facts and history of applicant's use of the involved mark. Applicant argues that it is not seeking discovery which requires any responses that should have to be designated "Attorney's Eyes Only,"; that applicant is entitled to information and documents concerning opposer's asserted distribution services and position as an "exclusive distributor" of certain items; that applicant is entitled to discovery of opposer's customers since opposer has asserted that applicant failed to police the mark and has abandoned the mark; and that, in any event, opposer included a customer list with its pleading and, thus, has already disclosed

⁶MTM is not a party to the CFM opposition, or any of the consolidated oppositions, but Mr. McKinney, as a principal of MTM, will nonetheless have access to information and documents opposer reveals to applicant in this proceeding, thereby effectively providing the same to MTM.

customers. Applicant contends that it is entitled to discovery as to the source or manufacture of opposer's paper products, coleslaw and breading mix because applicant should be able to disprove opposer's allegations that the products are proprietary and whether the products are identified by the mark. Applicant clarifies that it is not interested in recipes. Applicant points out that a protective order allows the exchange of confidential information and materials between competitors while restricting the use of such information outside the proceeding. Mr. McKinney asks that, as an alternative to disqualification, he be considered "in-house" counsel under the terms of the protective order.

In reply, opposer expresses its belief that applicant and MTM are one and the same. More particularly, opposer argues that, because MTM offers MARYLAND FRIED CHICKEN franchises under the mark at issue, potential franchisees will assume MTM is the owner of the mark; that, should applicant prevail herein, opposer anticipates an assignment of trademark rights from applicant to MTM; and, that, as a consequence, applicant's attorney is not truly a "third party" and instead is tantamount to being a party. Opposer states that, if applicant were represented by an impartial and unbiased attorney, opposer would have no problem disclosing the discovery responses to him. However, because applicant's attorney is a managing member of

MTM, with an accompanying financial interest in MTM, opposer believes it cannot protect its information and documents as long as Mr. McKinney represents applicant. Opposer asks that, should Mr. McKinney not be disqualified, any documents or information it alleges is Trade Secret/Commercially Sensitive be produced under seal only to the Board.⁷

DISCUSSION

By asserting that Mr. McKinney has acquired a proprietary interest in the outcome of this proceeding (other than any derived from his representation of applicant), opposer is invoking Canon 5, 37 C.F.R. §10.61, "[a] practitioner should exercise independent professional judgment on behalf of a client," and Disciplinary Rules 10.62(a), 37 C.F.R. §1062(a) ("Refusing employment when the interest of the practitioner may impair the practitioner's independent professional judgment"), and 10.64(a), 37 C.F.R. §10.64(a) ("Avoiding acquisition of interest in litigation on a proceeding before the Office").

Rule 10.62(a) states:

Except with the consent of a client after full disclosure, a practitioner shall not accept employment if the exercise of the practitioner's professional judgment on behalf of the client

⁷ Applicant filed a "supplemental response." Opposer, on February 10, 2010, filed a motion to strike the submission. Applicant responded thereto. Opposer's motion to strike is granted because applicant's submission is improper. Trademark Rule 2.127(a), 37 C.F.R. §2.127(a). See also *Pioneer Kabushiki Kaisha v. Hitachi High Technologies*, 73 USPQ2d 1672 (TTAB 2005); and *No Fear, Inc. v. Rule*, 54 USPQ2d 1551 (TTAB 2000). Accordingly, applicant's "supplemental response" is hereby stricken and has not been considered.

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will be or reasonably may be affected by the practitioner's own financial, business, property, or personal interests.

Rule 10.64(a) states:

A practitioner shall not acquire a proprietary interest in the subject matter of a proceeding before the Office which the practitioner is conducting for a client, except that the practitioner may: (1)..., (2) Contract with a client for a reasonable contingent fee; or(3)...

Mr. McKinney stated he has no proprietary or monetary interest in the outcome of this proceeding. Nor does the evidence of record indicate he has acquired such interests. He further indicated that, regardless of the outcome of this proceeding, MTM will continue to operate as a restaurant franchisor. Thus, Rule 10.64(a) does not provide a basis for his disqualification.

The question here is whether Mr. McKinney's position as a managing member of MTM, a restaurant franchisor that uses the mark at issue in this proceeding, results in a conflict of interest such that Mr. McKinney should be disqualified from representing applicant.

In *Bender v. Dudas*, 490 F.3d 1361, 83 USPQ2d 1065, 1070 (Fed. Cir. 2007), the Court acknowledged the United States Patent and Trademark Office's ("USPTO") findings that Bender's financial relationship with AIC (an invention promoter) created a conflict of interest under Rule 10.62(a) with his representation of the inventors referred to him by AIC. The

Court further acknowledged the USPTO's interpretation of Rule 10.62(a) as requiring Bender to disclose the extent of his relationship with AIC as well as certain particulars about AIC's practice.⁸

In *Bender*, the inventors had a contractual relationship with AIC; AIC had a contractual relationship with Bender to continue prosecution of existing patent applications; and Bender had an attorney-client relationship with the inventors. In this case, Mr. McKinney has an attorney-client relationship with applicant. He has active financial and business interests, as a managing member, in MTM, as well as an attorney-client relationship with MTM as its corporate counsel. Any relationship between applicant and MTM is unclear on this record, though is at least suggested by the familial relationship between applicant and the other managing members of MTM. There is no evidence of record that Mr. McKinney, as a managing member of MTM, interacts with applicant regarding MTM's business or, as applicant's attorney, interacts with MTM regarding applicant's business. Thus, the entity relationship

⁸ The USPTO also interpreted the "full disclosure" requirement of Rule 10.68(a)(1), 37 C.F.R. §10.68(a)(1), as requiring disclosure of the amount that Bender was being paid by AIC to prosecute the inventors' patent applications. Rule 10.68(a)(1) addresses the situation, not present on the facts stated herein, where a practitioner accepts compensation from one other than his or her client for legal services rendered to or for the client.

facts of this case are distinguishable from those of *Bender* such that a clear conflict of interest is not established.

Accordingly, opposer's petition to disqualify Mr. McKinney is denied. Nonetheless, Mr. McKinney has advocacy duties to be discharged on behalf of applicant and responsibilities owed to MTM which may, potentially, conflict with respect to the mark at issue. In view thereof, Mr. McKinney is allowed until **TWENTY DAYS** from the mailing date of this order to disclose to applicant the fact of his relationship to MTM, as well as the nature of the relationship, and to file a notification with the Board that he has done so.

DISCOVERY MATTERS

Opposer, in seeking Mr. McKinney's disqualification, equates Mr. McKinney with applicant. Were MTM the applicant, such characterization would be more appropriate; but it is not the applicant. A party may represent itself in Board proceedings. Patent and Trademark Office Rule 11.14(e), 37 C.F.R. §11.14(3); and TBMP §114.01 (2d ed. rev. 2004). When a party represents itself, it generally is not permitted access to the discovery responses of its adversary that are designated Trade Secret/Commercially Sensitive. Board's standardized protective order para. No. 1 (Classes of Protected Information). Thus, even assuming, *arguendo*, that Mr. McKinney and applicant should be considered one for purposes of this proceeding, there

is no reason to disqualify him on that basis. Rather, the assumption would raise an issue regarding the use of the various provisions of the protective order in the context of this opposition.

In essence, opposer's motion for disqualification is a request for modification of the protective order. Mr. McKinney, as a managing member of MTM, may have an interest in the resolution of the trademark dispute between opposer and applicant. While opposer's premise is that applicant, should it prevail in the opposition proceeding, will transfer trademark rights and, presumably, any resulting registration, such premise is only speculative. Opposer, however, has made a sufficient showing as to why Mr. McKinney's access to opposer's discovery responses should be restricted. Mr. McKinney has provided a solution: that he be considered the equivalent of "in house" counsel for applicant. In such capacity, he retains his ability to represent applicant; hardship to applicant is diminished; and opposer, as necessary and appropriate, may designate particular discovery responses so that they are not disclosed to Mr. McKinney.⁹

As applicant recognizes, the actual recipes for opposer's coleslaw and breading mix are not relevant to the issues in the

⁹ This would mean that, for information and materials designated Trade Secret/Commercially Sensitive, applicant should retain another attorney considered "outside counsel."

opposition. Consequently, discovery concerning the recipes, composition of the food products, preparation of the food product, and whether the food product is proprietary to opposer is not permitted. *Cf. Red Wing Co. v. J.M. Smucker Co.*, 59 USPQ2d 1861 (TTAB 2001). However, applicant is allowed discovery to ascertain whether the food products are identified by the mark in commerce.

It is well established that the names of customers constitute confidential information and generally are not discoverable, even under a protective order. TBMP §414(3) (2d ed. rev. 2004). There are two exceptions. Where priority is at issue, as here, then the name of and contact information for the first customer only for a party's involved goods or services sold under the mark is discoverable. *Id.* Where abandonment is at issue, as here, then the names of a minimal number of customers for the period in question may be discoverable under a protective order. *Id.* Opposer provided a customer list as an exhibit to its pleading. Consequently, it appears that no further discovery concerning customer names is necessary, except that opposer may need to indicate which of the customers listed was its first customer (if such customer is on the list).

A responding party need only provide annual sales and advertising figures, in round numbers. TBMP §414(18) (2d ed rev. 2004). Such information may be disclosed under the

protective order. *Id.* Invoices produced may be redacted as to customer particulars (except the first customer). The Board notes that opposer asserted it has been in business for over thirty-five years. Consequently, it may be appropriate that representative samples be produced.

RESET SCHEDULE

Proceedings are resumed. Applicant is allowed until **TWENTY DAYS** from the mailing date of this order in which to file its answers to the amended notices of opposition (filed by CFM on October 14, 2009 and by Original Maryland Fried Chicken on October 14, 2009). Each party is allowed until **THIRTY DAYS** from the mailing date of this order in which to serve responses to any outstanding discovery requests of its adversary.¹⁰

Expert Disclosures Due	9/25/2010
Discovery Closes	10/25/2010
Plaintiff's Pretrial Disclosures	12/9/2010
Plaintiff's 30-day Trial Period Ends	1/23/2011
Defendant's Pretrial Disclosures	2/7/2011
Defendant's 30-day Trial Period Ends	3/24/2011
Plaintiff's Rebuttal Disclosures	4/8/2011
Plaintiff's 15-day Rebuttal Period Ends	5/8/2011

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on

¹⁰ This is simply a scheduling order, not an order compelling discovery.

the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.¹¹

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¹¹ The address for Amber Davis of Beusse, Wolter, Sanks, Mora & Maire, P.A. is the correspondent's address for this consolidated case. The Board recognizes the Original Maryland Fried Chicken is represented by Suzanne Meehle of Innes & Meehle, P.L. The Board has added Ms. Meehle's email address to the plaintiff's correspondence information in Opposition No. 91187377. While the Board does not undertake double correspondence in a proceeding (*i.e.*, sending of correspondence to two addresses on behalf of a single party), TMEP §117.02 (2d ed. rev. 2004), and consolidation of the proceedings resulted in the opposers being in the position of a single party, the Board presently will send courtesy email copies to a reasonable number of multiple email addresses for a single party. Adding Ms. Meehle to the email correspondence for the "parent" case will ensure that she receives all orders issued by the Board.