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TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Opposition No. 91212882

Entrepreneur Media, Inc.

v.

*D. Nicole Enterprises, LLC and DuShawn
Thomas*

Before Taylor, Bergsman, and Goodman,
Administrative Trademark Judges.

By the Board:

This proceeding now comes before the Board for consideration of: (1) Entrepreneur Media, Inc.'s ("Opposer") motion (filed February 23, 2017) to resume proceedings and enter judgment against Applicant in light of the final determination of a civil action in favor of Opposer; (2) D. Nicole Enterprises, LLC's ("Applicant") motion (filed March 10, 2017) to join Ms. Dushawn Thomas as a party defendant to this proceeding; and (3) Applicant's motion (filed April 11, 2017) to suspend proceedings pending disposition of a civil contempt proceeding.¹ Applicant filed a response to Opposer's motion for judgment on March 10, 2017. Opposer filed a joint response to Applicant's motion to join and a reply in support of Opposer's motion for

¹ Applicant's change of correspondence, filed April 11, 2017, is noted. Board records have been updated accordingly.

judgment on March 28, 2017. On April 5, 2017, Opposer filed a notice of supplemental evidence. Finally, Opposer filed a response to Applicant's motion to suspend pending disposition of the civil contempt proceedings on April 25, 2017.

Background

Applicant seeks to register the mark ENTREPRENEURESS, in standard characters, for the following services in International Class 41:²

Education services, namely, providing live and on-line seminars, teleseminars, webinars, conferences, workshops, lectures, and making personal appearances by a motivational speaker in the field of entrepreneurship, branding, marketing, self-improvement, motivation, and business education and distributing instructional materials in connection therewith in the field of topics of interest to women entrepreneurs and business professionals; Entertainment services, namely, providing information by means of a global computer network in the fields of celebrities, entertainment, and popular culture; Entertainment, namely, a continuing variety, talk, news and business show broadcast over television, satellite, audio, and video media; Providing on-line e-zines in the field of topics of interest to women entrepreneurs and business professionals; Providing on-line publications in the nature of e-books in the field of topics of interest to women entrepreneurs and business professionals; Providing online interviews featuring celebrities and athletes in the field of topics of interest to women entrepreneurs and business professionals for entertainment purposes; Providing online publications, namely, questionnaires for topics of interest to women entrepreneurs and business professionals; Publishing of electronic publications; Radio entertainment services, namely, radio programs featuring performances by a motivational speaker in the field of topics of interest to women entrepreneurs and business professionals.

On October 9, 2013, Opposer filed a notice of opposition opposing Applicant's application for the mark ENTREPRENEURESS on the grounds of likelihood of confusion and dilution. In support of its claims, Opposer pleaded ownership of ten

² Application Serial No. 85741231, filed September 28, 2012, claiming July 1, 2012 as the date of first use and August 1, 2012 as the date of first use in commerce.

registrations for ENTREPRENEUR-formative marks. In its answer, Applicant denied the salient allegations in the notice of opposition.

Proceedings were suspended on November 21, 2013 pending final determination of a civil action, as further detailed below.

The Civil Action

On June 11, 2012, Opposer filed a complaint against Applicant and Ms. Thomas in the United States District Court for the Central District of California, styled *Entrepreneur Media, Inc. v. D. Nicole Enterprises, LLC and Dushawn Thomas*, Case No. 8:13-cv-00885-JLS-JPR (the “Civil Action”), alleging, *inter alia*, trademark infringement by Applicant’s use of the ENTREPRENEURESS mark. On February 20, 2014, the district court entered an order (1) granting a voluntary dismissal of Ms. Thomas from the case, (2) entering default judgment against Applicant, and (3) granting a permanent injunction against Applicant. 22 TTABVUE at 11-13. Pursuant to the permanent injunction, Applicant and its officers were enjoined from “[r]egistering, maintaining the registration of, or filing any application to register, any trademark or service mark containing or consisting of the word ENTREPRENEUR, including ENTREPRENEURESS.” *Id.* at 12. Ms. Thomas appealed her dismissal from the case to the Ninth Circuit Court of Appeals, which affirmed Ms. Thomas’ dismissal on January 20, 2017. *Id.* at 6-7. The Ninth Circuit issued the mandate on February 21, 2017. *Id.* at 9.

On March 2, 2017, Applicant signed and recorded an assignment of Applicant’s subject application to Ms. Thomas. On April 4, 2017, the district court issued an order

directing Ms. Thomas to appear before it and show cause why she should not be held in contempt of the court's order and permanent injunction as a result of the purported trademark assignment. 29 TTABVUE at 5-7.

Motion to Join

Applicant has moved to join Ms. Thomas as a party defendant on the grounds that Ms. Thomas is the current owner of the ENTREPRENEURESS mark and involved application. Opposer has opposed Applicant's motion to join on the ground that the purported assignment occurred after the entry of default judgment and permanent injunction against Applicant; therefore, Opposer alleges that the assignment was improper and invalid. 28 TTABVUE at 2.

If the mark in an application or registration that is the subject matter of an *inter partes* proceeding before the Board is assigned, together with the application or registration, the assignee may be joined as a party upon filing with the Board a copy of the assignment. When the assignment is recorded in the Assignment Recordation Branch of the USPTO, the assignee may be substituted as a party if the assignment occurred prior to the commencement of the proceeding, or if the assignor is no longer in existence, or the plaintiff raises no objections to substitution, or the discovery and testimony periods have closed; otherwise, the assignee will be joined, rather than substituted, to facilitate discovery. *Western Worldwide Enterprises Group Inc. v. Qindao Brewery*, 17 USPQ2d 1137, 1138 n.4 (TTAB 1990) (assignee joined after filing copy of an assignment which occurred subsequent to commencement of proceeding);

and *Tonka Corp. v. Tonka Tools, Inc.*, 229 USPQ 857, 857 n.1 (TTAB 1986) (assignee joined where papers filed by parties indicated registration had been assigned).

Accordingly, since the purported assignment of Applicant's involved application occurred after the commencement of this opposition proceeding, Applicant's motion to join Ms. Thomas as a party defendant is **GRANTED**.³ In view thereof, Ms. Thomas is hereby joined as a party defendant in this case.

Motion for Judgment

Initially, we must determine if Opposer has standing to bring this opposition. Standing is a threshold issue that must be proven by a plaintiff in every *inter partes* case. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999). As interpreted in binding precedent, a plaintiff must have a "real interest" in the outcome of the proceeding and a "reasonable basis" for its belief of damage. *See Empresa Cubana del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (citing *Ritchie*, 50 USPQ2d at 1025-26); *Universal Oil Prods. Co. v. Rexall Drug & Co.*, 463 F.2d 1122, 1123, 174 USPQ 458, 459 (CCPA 1972). We find that Opposer has standing by virtue of its position as party plaintiff in the Civil Action. *See Domino's Pizza, Inc. v. Little Caesar Enters., Inc.*, 7 USPQ2d 1359, 1363 (TTAB 1988) (finding standing where opposer was a party in a civil action between the parties regarding the same mark).

Opposer has moved for entry of judgment against Applicant based on the district court's order in the Civil Action. Although Opposer does not specifically raise the

³ For purposes of this order, the Board does not decide if the purported assignment was valid.

doctrine of *res judicata* as the basis for judgment, a district court decision may have preclusive effect in Board proceedings under the doctrine of *res judicata*. *See Sharp Kabushiki Kaisha v. ThinkSharp Inc.*, 448 F.3d 1368, 79 USPQ2d 1376, 1378 (Fed. Cir. 2006). *Res Judicata* includes both issue preclusion and claim preclusion. *Id.* Although issue preclusion cannot apply here where the claim of likelihood of confusion was not actually litigated in the Civil Action, but rather decided upon default, claim preclusion may be applicable. *See id.*

Under the doctrine of claim preclusion, the entry of a final judgment “on the merits” of a claim (*i.e.*, the cause of action) in a proceeding serves to preclude the relitigation of the same claim in a subsequent proceeding between the parties or their privies, even in those cases where the prior judgment was the result of a default or consent. *See Lawlor v. Nat’l Screen Service Corp.*, 349 U.S. 322, 75 S. Ct. 865, 99 L. Ed. 1122 (1955); *Chromalloy Am. Corp. v. Kenneth Gordon, Ltd.*, 736 F.2d 694, 222 USPQ 187 (Fed. Cir. 1984); *Flowers Indus., Inc. v. Interstate Brands Corp.*, 5 USPQ2d 1580, 1583 (TTAB 1987).

For claim preclusion to be applied, the following factors must be present:

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

Jet, Inc. v. Sewage Am. Sys., 223 F.3d 1360, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000).

For the reasons explained below, we find that each of the three elements is met and that the district court order has preclusive effect on this Board proceeding.

(1) Identity of the Parties (or their Privies)

As for the first element, the Board finds that there is an identity of the parties or their privies. It is clear that there is an identity of the parties in each action with respect to Applicant and Opposer. Applicant argues that the district court's order is inapplicable to Ms. Thomas, however, because she was dismissed as a party defendant in the Civil Action. The parties are nevertheless legally identically by virtue of Ms. Thomas' position as assignee of the mark and as Chief Executive Officer of Applicant.

First, even assuming that the assignment to Ms. Thomas was valid, as an assignee, Ms. Thomas stands in the shoes of Applicant, the assignor. *See CBS, Inc. v. Man's Day Publishing Co., Inc.*, 205 USPQ 470, 477 (TTAB 1980); *see also Epistar Corp. v. Int'l Trade Com'n*, 566 F.3d 1321, 91 USPQ2d 1180, 1187 (Fed. Cir. 2009). Thus, Ms. Thomas, as the assignee, is in privity with Applicant for purposes of claim preclusion. *Cf. Taylor v. Sturgell*, 553 U.S. 880, 893-95, 128 S. Ct. 2161, 171 L. Ed. 2d 155 (2008) (noting that the relationship of assignor and assignee may be an exception to the rule that claim preclusion cannot bind a non-party); *cf. Miller's Ale House, Inc. v. Boynton Carolina Ale House, LLC*, 702 F.3d, 105 USPQ2d 1345, 1348 n.6 (11th Cir. 2012) ("For purposes of issue preclusion, an assignee of a trademark 'steps into the shoes' of the assignor") (quoting *Carnival Brand Seafood Co. v. Carnival Brands, Inc.*, 187 F.3d 1307, 1310 (11th Cir. 1999)).

Second, as the Chief Executive Officer of Applicant, Ms. Thomas and Applicant are in privity for purposes of claim preclusion. *See The John W. Carson Foundation*

v. Toilets.com, Inc., 94 USPQ2d 1942 (TTAB 2010) (finding that there was an identity of the parties where a permanent injunction was entered against an entity in district court and the president of the corporation formed a new entity and filed a trademark application for the same mark.); *see also Kraeger v. General Electric Co.*, 497 F.2d 468, 474 (2d Cir. 1974) (finding that the president of a corporation was bound by a judgment against the corporation).

Moreover, the district court's permanent injunction applied not only to Applicant, but also to its "officers," which would include its Chief Executive Officer, Ms. Thomas. As such, Ms. Thomas is also bound by the district court's order. *See The John W. Carson Foundation*, 94 USPQ2d at 1947-48 (finding that the district court's injunction, which covered the "agents, servants, employees" of the defendant, clearly included the president of the company). Applicant cannot circumvent the permanent injunction by assigning the mark to its Chief Executive Officer.

(2) Final Judgment on the Merits

The default judgment constitutes a final judgment on the merits of Opposer's claim in the civil proceeding. "A judgment of a court having jurisdiction of the parties and of the subject matter operates as *res judicata*, in the absence of fraud or collusion, even if obtained upon a default." *Morris v. Jones*, 329 U.S. 545, 550-51, 67 S. Ct. 451, 91 L. Ed. 468 (1947) (quoting *Riehle v. Marolies*, 279 U.S. 218, 225, 49 S. Ct. 310, 73 L. Ed. 669 (1929)); *Int'l Nutrition Co. v. Horphag Research Ltd.*, 220 F.3d 1325, 55 USPQ2d 1492, 1494 (Fed. Cir. 2000) ("default judgments can give rise to *res judicata*"); *Bass Anglers Sportsman Soc'y of Am., Inc. v. Bass Pro Lures, Inc.*, 200

USPQ 819, 822 (TTAB 1978) (“[T]he application of a legal doctrine which would be appropriate to a judgment after trial is equally appropriate to a judgment by default.”); *Wells Cargo, Inc. v. Wells Cargo, Inc.*, 197 USPQ 569, 571 (TTAB 1977), *aff’d*, 606 F.2d 961, 203 USPQ 564 (CCPA 1979) (finding that for preclusion to apply, default “is all that is necessary to support the judgment.”). Thus, the second element for the application of claim preclusion is met.

(3) Same Transactional Facts

As for the third element, the Board also finds that this proceeding and the Civil Action involve the same transactional facts. The marks and claims at issue in this proceeding were also at issue in the Civil Action.

Accordingly, each of the three elements for the application of claim preclusion is present in this case.

In view of the foregoing, Opposer’s motion for entry of judgment based on the district court decision is **GRANTED**. The opposition is sustained and registration of Applicant’s ENTREPRENEURESS mark is refused.

Applicant’s motion to suspend pending disposition of the civil contempt proceedings is therefore **denied** as moot.