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TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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KWM

November 2, 2018

Opposition No. 91214883

784 8th Street Corp. dba ZAN'S

v.

Denise Ruggiero

**Before Wellington, Ritchie, and Heasley,
Administrative Trademark Judges.**

By the Board:

Now before the Board is Opposer's motion for summary judgment on the ground that it is entitled to judgment on its claim of nonownership under the doctrine of issue preclusion.¹ Denise Ruggiero's ("Applicant")² response to the motion was late, was not

¹ It has come to the Board's attention that the notice of opposition in this proceeding was not accompanied by the required filing fee for joint opposers. Joint Opposers 784 8th Street Corp. ("Zan's") and Pasquale Ruggiero are advised that while two or more parties in a privity relationship may file a notice of opposition jointly, the required fee must be submitted *for each party joined as opposer* for each class in the application for which registration is opposed. Trademark Rule 2.101. The USPTO's fee records indicate that on February 12, 2014, a total of \$300 was received as a filing fee to institute this proceeding. The fee for an opposition at that time was \$300 per class, per opposer; therefore the payment was sufficient payment for only one opposer and, for this reason, Pasquale Ruggiero is not considered a party to this proceeding. *Id.*; see also *Syngenta Crop Prot., Inc. v. Bio-Chek, LLC*, 90 USPQ2d 1112, 1115, n.2 (TTAB 2009) (second-named opposer not considered party to proceeding where only one opposer paid filing fee). The caption has been updated to reflect Zan's ("Opposer") as the sole Opposer in this proceeding.

² Applicant represents herself *pro se*.

accompanied by a motion to extend or reopen time to respond, and thus will not be considered.³ Trademark Rule 2.119(a). We further note the response did not include proof of service upon Opposer as required under Trademark Rule 2.119(a).⁴ However, the Board notes that Applicant clearly opposes Opposer's motion for summary judgment; for this reason, we will not grant the motion as conceded, but will entertain the motion on its merits.⁵

Relevant Background

Applicant seeks to register the word and design mark ZAN'S KOSHER DELICATESSEN RESTAURANT & CATERER WWW.ZANSDELI.COM, depicted below, for "association services, namely, promoting diversity in the restaurant and hotel industries on behalf of employees, vendors, management and owners; offering business management assistance in the establishment and/or operation of Zan's Kosher Deli; on-line ordering services featuring Kosher food in the field of restaurant take-out and delivery" in International Class 35 (the "ZAN'S Logo").⁶

³ Moreover, although Applicant was directed to the rules governing this proceeding by the Board's February 12, 2014 and April 9, 2014 orders, her response was not filed in at least 11-point type and double-spaced in accordance with Trademark Rule 2.126. See TBMP §§ 106.03; 502.02 (2018).

⁴ The parties were previously advised that under Trademark Rule 2.119, submissions filed with the Board must include proper proof of service. 7 TTABVUE 1-2.

⁵ Even if the Board had considered Applicant's response, it would not affect our decision.

⁶ Application Serial No. 86010455, filed on July 15, 2013 based on use in commerce under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a).



Opposer filed a notice of opposition against the subject application alleging likelihood of confusion, non-ownership, non-use, fraud,⁷ deceptiveness,⁸ and false suggestion of a connection.⁹ 1 TTABVUE. In support of its claims, Opposer pleaded,

⁷ Opposer fails to sufficiently plead a claim of fraud. A plaintiff claiming that the declaration or oath in a defendant's application for registration was executed fraudulently, in that there was another use of the same or a confusingly similar mark at the time the oath was signed, must allege particular facts which, if proven, would establish that: (1) there was in fact another use of the same or a confusingly similar mark at the time the oath was signed; (2) the other user had legal rights superior to applicant's; (3) applicant knew that the other user had rights in the mark superior to applicant's, and either believed that a likelihood of confusion would result from applicant's use of its mark or had no reasonable basis for believing otherwise; and that (4) applicant, in failing to disclose these facts to the USPTO, intended to procure a registration to which it was not entitled. *Qualcomm Inc. v. FLO Corp.*, 93 USPQ2d 1768, 1770 (TTAB 2010); *Intellimedia Sports, Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1205 (TTAB 1997). In particular, Opposer fails to plead facts sufficient to establish that Applicant knew that Opposer had *superior* rights in the ZAN'S Mark, and that Applicant has an intent to deceive the USPTO. See *Intellimedia Sports*, 43 USPQ2d at 1206-07.

⁸ The test for determining whether a term is deceptively misdescriptive as applied to an applicant's goods involves a two-part determination of (1) whether the matter sought to be registered misdescribes the goods; and (2) whether anyone is likely to believe the misrepresentation. See *In re Quady Winery Inc.*, 221 USPQ 1213, 1214 (TTAB 1984). Inasmuch as Opposer does not allege that Applicant's mark misdescribes its services, or that the misdescription is material to the decision to purchase the services, Opposer has not sufficiently pleaded a claim of deceptiveness.

⁹ In order to properly assert a ground of false suggestion of a connection, Opposer must plead that (1) Applicant's mark is the same as, or a close approximation of, Opposer's previously used name or identity; (2) that the mark would be recognized as such, in that it points uniquely and unmistakably to Opposer; (3) that Opposer is not connected with the goods provided by Applicant under the mark; and (4) that Opposer's name or identity is of sufficient fame or reputation that when Applicant's mark is used on its goods, a connection with Opposer would be presumed. See *Nike, Inc. v. Palm Beach Crossfit Inc.*, 116 USPQ2d 1025, 1031 (TTAB 2015). Inasmuch as Opposer has not alleged the ZAN'S mark is famous, Opposer has not sufficiently pleaded a claim of false suggestion of a connection.

inter alia, ownership and prior, continuous use of the ZAN'S Mark in connection with Zan's full-service Kosher Delicatessen restaurant and caterer. Notice of Opposition at ¶¶5, 9-11, 1 TTABVUE 3-4. Opposer further alleges that its pending application Serial No. 86090863 for the mark ZAN'S for retail delicatessen services in International Class 35 and various restaurant and catering services in International Class 43 (the "ZAN'S Mark") has been suspended in view of Applicant's subject application. *Id.* at ¶9, 1 TTABVUE 4. Opposer also notes that, together with Pasquale Ruggiero, it has maintained a civil action against Applicant in the Eastern District of New York asserting, *inter alia*, trademark infringement claims. *Id.* at ¶27, 1 TTABVUE 6-7. Applicant filed an answer denying the salient allegations of the notice of opposition.

Motion for Summary Judgment

Opposer seeks entry of summary judgment on its nonownership and fraud claims¹⁰ on the grounds of *res judicata* and/or collateral estoppel in view of the final decision on the merits in a civil action between the parties, *784 8th Street Corp. et al v. Ruggiero*, Civil Action No. 13-cv-05739 (EDNY 2018) (the "Civil Action").¹¹ 42 TTABVUE. In the Civil Action, Opposer, together with Pasquale Ruggiero ("Plaintiffs"), asserted various claims against Applicant, including false copyright filing, declaratory judgment regarding ownership of the ZAN'S Marks (including the

¹⁰ Because Opposer's fraud claim was not adequately pleaded, we do not consider Opposer's arguments in its motion for summary judgment that relate to its fraud claim. *See* Fed. R. Civ. P. 56(a); *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1480 (TTAB 2009).

¹¹ Opposer included with its motion for summary judgment copies of the operative pleadings, order, and final judgment in the Civil Action.

ZAN's Mark and the ZAN'S Logo)¹² and an injunction against Applicant's use and registration of the ZAN'S marks,¹³ common law trademark infringement, and false designation of origin and unfair competition. Applicant filed various counterclaims. 42 TTABVUE 59-60, 66-75.

On July 5, 2017, Applicant filed a motion for summary judgment in the Civil Action, and Plaintiffs filed a cross-motion for summary judgment in response on November 17, 2017. 42 TTABVUE 31. Plaintiffs introduced a "bevy of materials" in support of their argument that they own the Zan's name, logo and materials because Applicant worked for Zan's when she helped design them. 42 TTABVUE 22, 37-38. Plaintiffs' supporting evidence included Applicant's own sworn statements that she created the Zan's name, logo, and materials while employed by Zan's, Applicant's health insurance records, and Applicant's receipt of payment from Zan's. *Id.* On March 23, 2018, the district court granted Plaintiffs' motion for summary judgment on their claims of false copyright filing and declaratory judgment, directed entry of judgment declaring that "Plaintiffs are the owners of the Zan's name, logo, and materials," denied Applicant's motion for summary judgment, and dismissed

¹² In their complaint in the Civil Action, Plaintiffs identify the "Zan's logo" as the following mark:



42 TTABVUE 60.

¹³ Specifically, Plaintiffs sought declaratory judgment that "Plaintiffs have the sole rights in and to the Zan's Works and the Zan's Logo, and that [Applicant] has no rights in or to the Zan's Works or the Zan's Logo." 42 TTABVUE 60, 67-68.

Applicant's counterclaims. 42 TTABVUE 16. In view of the district court's judgment in the Civil Action that Opposer and Pasquale Ruggiero are the owners of the ZAN'S Marks, Opposer argues that the subject application is void *ab initio*. 42 TTABVUE 8.

A. Legal Standard

Summary judgment is an appropriate method of disposing of cases in which there is no genuine dispute as to any material fact, thus allowing the case to be resolved as a matter of law. *See* Fed. R. Civ. P. 56(a). The party moving for summary judgment has the initial burden of demonstrating that there is no genuine dispute of material fact remaining for trial and that it is entitled to judgment as a matter of law. *See* Fed. R. Civ. P. 56(c); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1987). All evidence must be viewed in a light most favorable to the nonmovant, in this case Applicant, and all justifiable inferences are to be drawn in the nonmovant's favor. *Opryland USA Inc. v. Great Am. Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992). In deciding a summary judgment motion, the Board may not resolve disputes of material fact; it may only ascertain whether such disputes exist. *Lloyd's Food Prods., Inc. v. Eli's, Inc.*, 987 F.2d 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993); *Opryland USA*, 23 USPQ2d at 1472; *Olde Tyme Foods, Inc. v. Roundy's, Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992).

When the moving party sufficiently demonstrates that there is no genuine dispute of material fact, and that it is entitled to judgment, the burden shifts to the nonmoving party to demonstrate the existence of specific genuinely disputed facts that must be resolved at trial. *Enbridge, Inc. v. Excelerate Energy L.P.*, 92 USPQ2d

1537, 1540 (TTAB 2009). The nonmoving party may not rest on the mere allegations of its pleadings and assertions of counsel, but must designate specific portions of the record or produce additional evidence showing the existence of a genuine dispute as to a material fact for trial. *See* Fed. R. Civ. P. 56(c); *Celotex*, 477 U.S. at 324. In general, to establish the existence of disputed facts requiring trial, the nonmoving party “must point to an evidentiary conflict created on the record[,] at least by a counterstatement of facts set forth in detail in an affidavit by a knowledgeable affiant.” *Octocom Sys., Inc. v. Hous. Computs. Servs., Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1786 (Fed. Cir. 1990).

Opposer filed a motion to suspend proceedings for civil action shortly after the answer was filed and before the due date for the exchange of initial disclosures. In general, a party may not file a motion for summary judgment until it has made its initial disclosures. Trademark Rule 2.127(e)(1); *Qualcomm*, 93 USPQ2d at 1769-70. This general rule has two exceptions: (1) a motion asserting lack of jurisdiction; or (2) a motion asserting claim or issue preclusion. Trademark Rule 2.127(e)(1); *Zoba Int’l Corp. v. DVD Format/LOGO Licensing Corp.*, 98 USPQ2d 1106, 1108 n.4 (TTAB 2011) (motion to dismiss considered as one for summary judgment where it asserts claim preclusion). Therefore, Opposer’s motion asserting issue preclusion is timely.

B. Issue Preclusion

A motion for summary judgment is an appropriate procedural method to raise the assertion of issue preclusion “because if the factual question has been previously determined between the parties, there is no triable issue of fact on that matter.”

J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 32:87 (5th ed. Sept. 2018); *see also NH Beach Pizza LLC v. Cristy's Pizza Inc.*, 119 USPQ2d 1861, 1863 (TTAB 2016). Issue preclusion bars the re-litigation of the same issue in a second action, and is operative whether the second action is on the same or a different cause of action. *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 136 S. Ct. 1293, 113 USPQ2d 2045, 2051 (2015); *Lukens Inc. v. Vesper Corp.*, 1 USPQ2d 1299, 1301 (TTAB 1986). The application of issue preclusion requires: (1) identity of an issue in the current and prior proceedings; (2) actual litigation of that issue in the prior proceeding; (3) that determination of the issue was necessary in entering judgment in the prior proceeding; and (4) that the party with the burden of proof on that issue in the second proceeding had a full and fair opportunity to litigate the issue in the prior proceeding. *NH Beach Pizza*, 119 USPQ2d at 1864 (citing *Montana v. United States*, 440 U.S. 147, 153-54 (1979)).

Turning to the first factor for issue preclusion, a review of the record demonstrates that there is no genuine dispute that the key issue to be determined in this proceeding is identical to one of the issues decided in the Civil Action, namely, whether Applicant owns the ZAN'S Marks. Specifically, the district court found that "although [Applicant] played a part in designing the Zan's logo and materials, the Plaintiffs own the Zan's logo and materials because [Applicant] worked for them during the relevant period." 42 TTABVUE 22. The district court then determined that "784 8th Street Corp. and Pasquale Ruggiero are the owners of the Zan's name, logo, and materials."

42 TTABVUE 16. Opposer asserts a claim of non-ownership in this proceeding. Accordingly, Opposer has satisfied the first factor for applying issue preclusion.

Regarding the second and third factors for applying issue preclusion, we find that there is also no genuine dispute that the issue of ownership of the ZAN'S Marks was raised, litigated, and actually adjudged in the Civil Action. The district court granted Plaintiffs' cross-motion for summary judgment with respect to the first and second claims, denied Applicant's motion for summary judgment, dismissed Applicant's counterclaims, granted Plaintiffs' motion to dismiss their remaining claims, and noted that "this case is closed." 42 TTABVUE 16. Moreover, the district court's determination that Opposer and Pasquale Ruggiero are the owners of the ZAN'S Marks was necessary to the district court's decision in the Civil Action granting Plaintiffs' declaratory judgment claim.

In sum, as a result of the prior Civil Action between the parties, we find that there is no genuine dispute that the issue of ownership of the ZAN'S Logo in this proceeding is identical to the issue involved in the prior Civil Action; that the issue of ownership of the ZAN'S Logo was actually raised, litigated and adjudged in the prior Civil Action; and that the determination of whether Applicant was an employee of Zan's when she created the ZAN'S Logo and thus whether Opposer Zan's and Pasquale Ruggiero owned the ZAN'S Logo was necessary to the resulting district court judgment. Further, there is no genuine dispute that Applicant had a full and fair opportunity to litigate the issue of ownership in the prior Civil Action. *See Slesinger*

Inc. v. Disney Enterprises Inc., 98 USPQ2d 1890, 1898 (TTAB 2011) (granting summary judgment upon finding preclusive effect regarding ownership of mark.).

In view of the foregoing, we find, as a matter of law, that Opposer is entitled to summary judgment based on issue preclusion. Because Applicant was an employee of Opposer when she helped create the ZAN'S Logo in the subject application, Opposer (together with Pasquale Ruggiero),¹⁴ not Applicant, owns the ZAN'S Logo, and the use-based subject application filed by Applicant, who did not own the subject mark, was therefore void *ab initio*.¹⁵ Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a); *Lyons v. Am. College of Veterinary Sports Med. and Rehab.*, 859 F.3d 1023, 123 USPQ2d 1024, 1027 (Fed. Cir. 2017) (registration by one who did not own the mark at the time of filing renders the underlying application void *ab initio*); *Wonderbread 5 v. Gilles*, 115 USPQ2d 1296, 1297 (TTAB 2015). Accordingly, the opposition is sustained and registration of application Serial No. 86010455 is refused.

¹⁴ The fact that two or more parties may have an interest in a mark to be pleaded in a notice of opposition does not mean that each such party must be joined as opposer. Joint filing is elective, not mandatory. *Sun Valley Co. Inc. v. Sun Valley Mfg. Co.*, 167 USPQ 304, 310 (TTAB 1970).

¹⁵ Opposer's ownership of the mark also establishes its standing. *UVeritech, Inc. v. Amax Lighting, Inc.*, 115 USPQ2d 1242, 1245 (TTAB 2015).