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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91217436
Party	Defendant Hanginout, Inc.
Correspondence Address	ANDREW D SKALE MINTZ LEVIN COHN FERRIS GLOVSKY AND POPEO PC 3580 CARMEL MOUNTAIN RD, SUITE 300 SAN DIEGO, CA 92130-6768 UNITED STATES adskale@mintz.com
Submission	Motion to Reopen
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Date	07/23/2015
Attachments	Motion to Resume.pdf(61215 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

IN THE MATTER OF APPLICATION:

Serial No.: **85674801 / 85674799**
For the Mark: HANGINOUT / HANGINOUT & Design
Applicant: Hanginout, Inc.
Filed: July 12, 2012

Atty. Docket No. HIO 652.02

GOOGLE INC.,

Opposer,

vs.

HANGINOUT, INC.,

Applicant.

Opposition No.: 91217436

Opposition No.: 91217437

**APPLICANT'S MOTION TO RESUME
PROCEEDINGS**

APPLICANT'S MOTION TO RESUME PROCEEDINGS

On September 17, 2014, Opposer, by its attorneys, requested a suspension of the proceedings pending the final determination of a civil action between the parties, *Hanginout, Inc. v. Google Inc.*, Case No.: 13-cv-2811 AJB (NLS), filed in the United States District Court, Southern District of California ("Civil Action"). This motion was granted by the Trademark Trial and Appeal Board on September 24, 2014, all proceedings were suspended until a final disposition of the Civil Action.

On June 30, 2015, the Court granted a final disposition of the Civil Action as Plaintiff dismissed the action with prejudice to allow for the TTAB proceedings to resume (Exhibit A - Court Order Dismissing Civil Action). Note, the Court in the Civil Action instructed that the TTAB proceedings herein may now resume. See Exh A - footnote 3, page 6.

Accordingly, Applicant respectfully requests that Oppositions 91217436 and 91217437 resume and a new scheduling order issue for the combined proceeding.

DATED this 23rd day of July, 2015.

Respectfully submitted,

/s/ Matthew A. Becker

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PROOF OF SERVICE BY MAIL

I hereby declare:

I am over the age of 18 years and am not a party to this action. I am employed in San Diego, County. My business address is 1003 Isabella Avenue, Coronado, CA 92118.

On the date first written below, I served a true and correct copy of the attached document entitled:

MOTION TO RESUME PROCEEDINGS

by causing it to be placed in a sealed envelope and deposited in the United States mail, first class postage fully prepaid and addressed to the following:

Matthew J. Snider
DICKINSON WRIGHT PLLC
International Square
1875 Eye Street, NW
Suite 1200
Washington, DC 20006

Dated: July 23, 2015

/s/ Matthew A. Becker

Matthew A. Becker

EXHIBIT A

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

HANGINOUT, INC., a Delaware corporation,

Plaintiff,

v.

GOOGLE, INC., a Delaware corporation,

Defendant.

Case No.13cv2811 AJB (NLS)

ORDER GRANTING PLAINTIFF’S EX PARTE MOTION TO DISMISS THE COMPLAINT WITH PREJUDICE

(Doc. No. 80)

On June 23, 2015, Plaintiff Hanginout, Inc. filed an ex parte motion to dismiss the complaint with prejudice. (Doc. No. 80.) In accordance with Chamber Rules, Defendant Google, Inc. filed an opposition on June 24, 2015. (Doc. No. 81.) Plaintiff filed a reply on June 26, 2015. (Doc. No. 82.) This case involves a trademark dispute over Defendant’s use of the HANGOUTS mark.¹ Upon review of the parties’ arguments and the particular facts of this matter, the Court **GRANTS** Plaintiff’s motion for the reasons set forth below.

Dismissal With Prejudice

Plaintiff’s motion is brought pursuant to Federal Rule of Civil Procedure 41(a)(2) which requires the Court’s approval for a plaintiff’s dismissal of an action with or

¹ A more detailed factual and procedural background is set forth in the Court’s prior orders and need not be restated herein. (See Doc. Nos. 72, 79.)

1 without prejudice once an answer or a motion for summary judgment has been filed. Fed.
2 R. Civ. P. 41(a)(2). Rule 41 also permits a court to premise dismissal on terms and
3 conditions the court deems proper. *Id.* A motion brought under Rule 41 “is addressed to
4 the sound discretion of the district court.” *Sams v. Beech Aircraft Corp.*, 625 F.2d 273,
5 277 (9th Cir. 1980). In ruling on a Rule 41(a)(2) motion, a court makes three determina-
6 tions: “(1) whether to allow dismissal; (2) whether the dismissal should be with or
7 without prejudice; and (3) what terms and conditions, if any, should be imposed.”
8 *Sherman v. Yahoo! Inc.*, Case No. 13CV0041, 2015 WL 473270, at *2 (S.D. Cal. Feb. 5,
9 2015); *Williams v. Peralta Cnty. Coll. Dist.*, 227 F.R.D. 538, 539 (N.D. Cal. 2005).
10 Dismissal pursuant to Rule 41(a)(2) should be granted unless the defendant can show that
11 it will suffer some clear legal prejudice as a result. *Smith v. Lenches*, 263 F.3d 972, 975
12 (9th Cir. 2001).

13 Plaintiff requests the Court dismiss the complaint with prejudice, but decline to
14 award Defendant fees and costs associated with litigating this matter or otherwise impose
15 any terms and conditions upon dismissal. (Doc. No. 80, p. 6.) Plaintiff seeks dismissal on
16 the ground that it is unable to further pursue its claim for infringement of an unregistered
17 mark, particularly in light of the litigation pending at the Trademark Trial and Appeal
18 Board (“TTAB”). Plaintiff cites efficiency as the main justification for its request,
19 coupled with its financial inability to further litigate this case. (*See* Doc. No. 80.)

20 Defendant opposes dismissal on the grounds that the unique circumstances of this
21 case make it such that a dismissal with prejudice will not provide Defendant with the
22 finality normally associated with a dismissal with prejudice. Defendant argues that it will
23 suffer prejudice if Plaintiff seeks relief against Defendant for use of the HANGOUTS
24 mark if and when registration issues, and that it has already been prejudiced given the
25 timing of this motion. (Doc. No. 81, p. 9.) Defendant discusses at length the timing of this
26 motion, and reiterates its position that Plaintiff has poorly timed this and previous
27 motions, and thus Plaintiff should not be afforded the relief it seeks. (*Id.*)
28

1 The Court is sympathetic to the arguments raised by Defendant. Indeed, in
2 considering the recent motions brought by Plaintiff, the Court recognized this case has
3 incurred a substantial history, that the Court has the ability to resolve the parties' claims,
4 and that Defendant is entitled to prompt resolution of the claims pending against it. (*See*
5 *Doc. No. 79.*) The instant motion seeks relief different from that previously sought by
6 Plaintiff, however, and compels a different outcome. Despite the arguments raised by
7 Defendant, denial of Plaintiff's motion would mandate further litigation in this case on
8 the part of an unwilling and unable Plaintiff. Although the Court denied Plaintiff's earlier
9 *ex parte* motion for a voluntary dismissal without prejudice, Plaintiff now concedes on its
10 claim for infringement of an unregistered mark and recognizes that it would not be able to
11 bring the same claim in a future proceeding. (*Doc. No. 80, p. 4-5.*) Similarly, although the
12 Court denied Plaintiff's motion for a stay pending resumption and conclusion of TTAB
13 proceedings, the instant motion does not delay resolution of Plaintiff's infringement of an
14 unregistered mark claim. To the contrary, granting Plaintiff's request for a dismissal with
15 prejudice resolves those claims presently before the Court. Because the dismissal is with
16 prejudice, Defendant will not suffer any legal prejudice as a result of granting Plaintiff's
17 motion. *See Smith*, 263 F.3d at 976. For these reasons, dismissal with prejudice is
18 appropriate.

19 **Terms and Conditions Upon Dismissal**

20 Defendant requests the Court condition dismissal on the following: (1) an award of
21 fees and costs for the work performed by Defendant in this action that cannot be used in
22 any future action; (2) an order binding Plaintiff to all of its discovery responses concern-
23 ing the current state of the facts and forbidding it from relying on any new facts concern-
24 ing past actions; and (3) an order precluding Plaintiff from claiming trademark infringe-
25 ment or related claims based on Defendant's use of the HANGOUTS mark. (*Doc. No. 81,*
26 *p. 5.*) Plaintiff opposes an award of fees or costs because it seeks a dismissal with
27 prejudice which generally does not support such an award.
28

1 A court's imposition of fees and costs in granting a voluntary dismissal is discre-
2 tionary. *Westlands Water Dist. v. United States*, 100 F.3d 94, 97 (9th Cir. 1996). Award-
3 ing attorneys' fees and costs is not a prerequisite to granting a voluntary dismissal, and in
4 the context of a dismissal with prejudice, courts in this Circuit have concluded that an
5 award of attorneys' fees should not ordinarily be imposed. *See Milota v. Hexion Specialty*
6 *Chemicals Canada, Inc.*, Case No. 3:13-CV-00909, 2015 WL 1737302, at *5 (D. Or.
7 Apr. 16, 2015) (“[N]o circuit court has held that payment of the defendant’s costs and
8 attorney fees is a prerequisite to an order granting voluntary dismissal.”); *Gonzalez v.*
9 *Proctor and Gamble Co.*, Case No. 06cv869, 2008 WL 612746, at *3 (S.D. Cal. Mar. 4,
10 2008) (“An award of costs and attorneys’ fees should generally be denied if the voluntary
11 dismissal is granted with prejudice.”).

12 The facts of this case support an award of costs associated with this litigation, but
13 not an award of attorneys’ fees. Defendant argues that the unique circumstances of this
14 case, with the potential for future litigation before the TTAB and the district court, makes
15 this case “exceptional” such that attorneys’ fees should be awarded. (Doc. No. 81, p. 10.)
16 As support for this proposition, Defendant argues that the costs and fees incurred in this
17 action cannot be used in any future claim by Plaintiff stemming from Defendant’s use of
18 the HANGOUTS mark. However, because Defendant will obtain a final judgment on the
19 merits as to the unregistered mark claim, which both parties recognize will result from a
20 dismissal with prejudice, attorneys’ fees are not warranted. *Maculan v. City of Escondido*,
21 Case No. 13CV1794, 2014 WL 3341070, at *1 (S.D. Cal. July 8, 2014) (“Although
22 courts often award defendants costs and attorney fees when granting a plaintiff’s motion
23 to dismiss without prejudice under 41(a)(2), such an award is improper when the
24 dismissal is with prejudice.”) (internal citations omitted); *see also Design Trend Int’l*
25 *Interiors, Ltd. v. Huang*, Case No. CV-06-1987, 2007 WL 2683790, at *4 (D. Ariz. Sept.
26 7, 2007) (“[D]istrict courts rarely grant an award of reasonable attorneys’ fees when an
27 action is dismissed voluntarily with prejudice.”). The potential for future litigation
28 stemming from registration of Plaintiff’s mark is too speculative to support an award of

1 attorneys' fees in connection with this action. However, awarding reasonable costs
2 associated with defending this case accounts for the length of these proceedings, the
3 timing of Plaintiff's request, and the expenses incurred thus far in preparing for resolu-
4 tion of this case which may not be used in any other related proceeding. While costs
5 associated with litigation are generally not awarded when a dismissal is with prejudice,
6 the facts of this case require deviation from the general rule. Though Defendant will
7 receive a decision on the merits by way of this dismissal, the instant litigation was poised
8 to do more than resolve Plaintiff's infringement of an unregistered mark claim.² With the
9 instant case now concluded, the TTAB proceedings may resume, and Plaintiff maintains
10 it has the ability to seek further relief from the Court if its HANGINOUT mark registers.
11 For these reasons, an award of reasonable costs to Defendant is appropriate.

12 Defendant's next request that dismissal be predicated on an order precluding
13 Plaintiff from bringing a future infringement lawsuit based on a registered mark requires
14 the Court to consider the res judicata effect of this order on future litigation. Defendant
15 argues that Rule 11 and res judicata preclude Plaintiff from bringing a further infringe-
16 ment suit. (Doc. No. 81, p. 12-13.) The cases cited by Defendant as support for this
17 argument analyze res judicata in the context of a subsequent suit of identical claims as
18 those resolved in a prior action. *See Estate of Blue v. Cnty of Los Angeles*, 120 F.3d 982
19 (9th Cir. 1997) (analyzing three separate suits in which the same section 1983 claim was
20 brought and whether equitable tolling applied); *Greenlight Fin. Serv's., Inc. v. Internet*
21 *Brands, Inc.*, Case No. 11-1671, 2012 WL 113425 (C.D. Cal. Jan 13, 2012) (analyzing
22 res judicata and identical trademark infringement claims when brought in a second suit
23 between the same parties). Defendant also engages in an analysis of whether res judicata
24 would bar any subsequent suit by Plaintiff. (Doc. No. 81, p. 13.) The applicability of res
25 judicata or Rule 11 to future claims is appropriately decided when such claims are before
26 the Court. Otherwise, the Court would be acting in an advisory fashion, addressing claims


27
28 ² Notably, the proceedings pending before the TTAB were stayed pending resolution of these claims in light of Plaintiff's pending trademark applications, and Defendant's opposition proceedings and attempts to register its HANGOUTS mark.

1 and analyzing arguments not yet ripe for consideration.³ Thus, dismissal of this action
2 will not be premised on an order precluding Plaintiff from bringing any further trademark
3 infringement claims. The Court will also not impose Defendant's additional condition of
4 binding Plaintiff to all of its discovery responses concerning the current state of facts in
5 the instant action and precluding Plaintiff from relying on any new facts in the future
6 concerning past actions. Imposing such a condition would again require the Court to
7 make determinations that could affect subsequent litigation, the nature and scope of
8 which is unknown.

9 For these reasons, Plaintiff's request for a voluntary dismissal with prejudice is
10 **GRANTED**. In accordance with its discretion in granting dismissal under Rule 41(a)(2),
11 the Court awards Defendant costs associated with litigation of this action, subject to proof
12 and evaluation by the Court. Defendant is directed to provide the Court with a bill of
13 costs within fourteen (14) days of the date of this order. The Court declines to impose any
14 other conditions upon dismissal.⁴

15
16 **IT IS SO ORDERED.**

17
18 DATED: June 30, 2015

19
20 
21 _____
22 Hon. Anthony J. Battaglia
23 U.S. District Judge

24
25 ³ Assuming, as the parties do in their briefing, that registration will issue before the
26 TTAB for Plaintiff's HANGINOUT mark. The parties' arguments regarding further
27 district court litigation would be mooted, outside of an appeal to the district court, if
28 Plaintiff is denied registration of its mark. This further supports denying attorneys' fees
to Defendant because, the facts as currently known, do not support any further trademark
claims on Plaintiff's behalf. The proceedings before the TTAB, however, may now
resume.

⁴ In concluding its opposition, Defendant requests that if dismissal is granted and
Plaintiff is permitted to pursue an infringement suit in the future, Plaintiff be required to
file suit in this Court to prevent forum shopping. (Doc. No. 81, p. 13-14.) Though the
Court makes no determination as to whether Plaintiff may file suit for infringement in the
future or the viability of such claims, should Plaintiff decide to further pursue
infringement claims, it may proceed in this district according to local rules.