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

Proceeding	91245908
Party	Plaintiff PLM Operations, LLC
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of No.: 91245908



Mark:

PLM OPERATIONS, LLC,)	Opposition No.: 91245908
)	
Opposer,)	Serial No.: 78/954,490
)	
vs.)	Filed: August 17, 2006
)	
PRODUCTOS LACTEOS TOCUMBO S.A.)	Published: December 18, 2018
DE C.V.,)	
)	OPPOSER’S MOTION TO DISMISS, OR
Applicant.)	IN THE ALTERNATIVE, TO SUSPEND
)	COUNTERCLAIMS IN LIEU OF AN
)	ANSWER
)	

Pursuant to *Novo Nordisk A/S v. Insulet Corporation*, Opposition No. 91155763, 2007 WL 2010785 at *2 (T.T.A.B. 2007), Opposer, PLM Operations, LLC (“Opposer,” “Counter-Defendant” or “PLM”) hereby moves the Board to dismiss the counterclaims asserted in this proceeding by Applicant Productos Lacteos Tocumbo S.A. DE C.V. (“Applicant” or “Counterclaimant” or “Prolacto”).

In the alternative, pursuant to 37 C.F.R. § 2.117 and Trademark Trial and Appeal Board Manual of Procedure (“TBMP”) § 510.02(a) and (c), PLM hereby moves the Board to suspend the counterclaims asserted in this proceeding by Prolacto.

This motion is made on the grounds that the same parties to this proceeding are engaged in a previously-filed proceeding that involves the same registrations that are the subject of the

counterclaim in this proceeding. The counterclaim in this proceeding should be dismissed, or in the alternative, suspended.

This motion is supported by the accompanying brief, the caselaw cited therein, and such other papers and argument as may be presented to the Board.

Respectfully submitted,

Dated: January 17, 2020

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I. INTRODUCTION

Where, as here, there is another earlier-filed action pending that involves the same parties and same marks, the later-filed proceeding should be dismissed. *Novo Nordisk A/S v. Insulet Corporation*, Opposition 91155763, 2007 WL 2010785, at *2 (T.T.A.B. 2007).

Alternatively, the later-filed proceeding can be stayed pursuant to 37 C.F.R. § 2.117 and TBMP § 510.02(a) and (c) until a decision has been made in the earlier proceeding.

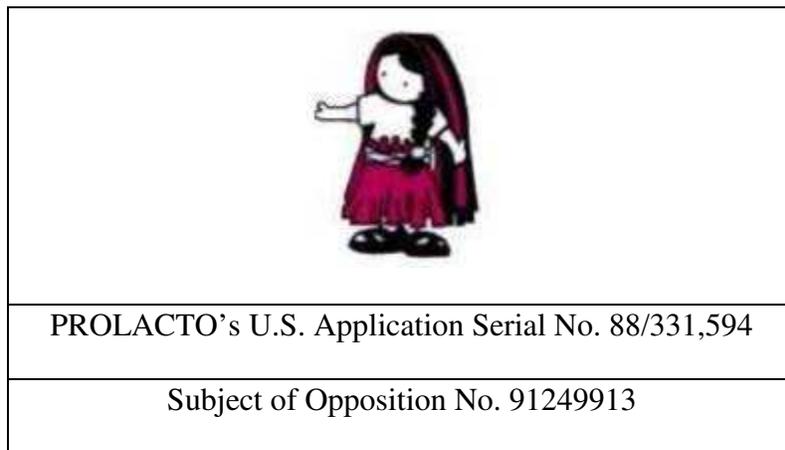
Here, the instant action is the later-filed proceeding that, if not dismissed, should be stayed pending the outcome of a prior pending action, Opposition No. 91249913.

II. FACTS AND PROCEDURAL HISTORY

The same parties to this proceeding are engaged in a previously-filed proceeding that involves the same marks that are the subject of the counterclaim in this proceeding. The counterclaim in this proceeding is duplicative of the counterclaim in the previously-filed proceeding.

A. The Prior Proceeding

On September 10, 2019, PLM instituted Opposition No. 91249913 to oppose Prolecto’s U.S. Application Serial No. 88/331,594, the subject of which is this design mark:



In Opposition No. 91249913, PLM asserted PLM's U.S. Registration No. 5,757,880 and PLM's U.S. Registration No. 5,757,881 as part of the basis for its opposition:

	
PLM's U.S. Registration No. 5,757,880	PLM's U.S. Registration No. 5,757,881
Cited by PLM as Part of the Basis for Its Opposition In Opposition No. 91249913	

Prolacto failed to file a timely answer in Opposition No. 91249913, and the Board issued a notice of default on September 20, 2019. On October 31, 2019, Prolacto filed a motion to be relieved from default. On November 20, 2019, PLM filed an opposition to that motion. On November 29, 2019, Prolacto filed a reply brief in support of that motion. Prolacto's motion for relief from default is currently pending.

Despite the fact that the Board has not ruled on Prolacto's motion to be relieved from default, Prolacto proceeded to file a counterclaim in Opposition No. 91249913 seeking to cancel PLM's U.S. Registration Nos. 5,757,880 and 5,757,881 for these marks that PLM had asserted in that opposition:

	
PLM's U.S. Registration No. 5,757,880	PLM's U.S. Registration No. 5,757,881
Subjects of Counterclaim in Opposition No. 91249913	

B. The Instant Proceeding

On January 17, 2019, PLM instituted the instant proceeding to oppose the following design mark of Prolacto:


PROLACTO's U.S. Application Serial No. 78/954,490
Subject of Opposition No. 91245908

This Opposition was suspended for a period of time while certain motions were pending. After these initial motions were made, opposed and ruled on, the proceedings resumed on November 14, 2019.

On December 23, 2019, Prolacto filed an answer and counterclaim in the instant proceeding. Prolacto's counterclaim seeks to cancel PLM's U.S. Registration Nos. 5,757,880 and 5,757,881, the same registrations Prolacto seeks to cancel in the counterclaim it filed in Opposition No. 91249913, the previously-filed proceeding:

	
PLM's U.S. Registration No. 5,757,880	PLM's U.S. Registration No. 5,757,881
Subjects of Counterclaim in Opposition Nos. 91249913 and 91245908	

III. ARGUMENT

A. Because There Should Be Only One Proceeding to Cancel a Registration, the Duplicative Counterclaim In this Proceeding Should Be Dismissed

1. This Duplicative Counterclaim Should Be Dismissed

A shown above, there are two currently pending proceedings in which Prolacto has filed a counterclaim to cancel the same registrations (PLM's U.S. Registration Nos. 5,757,880 and 5,757,881): Opposition Nos. 91249913, the previously filed action, and 91245908, this action.

There should be only one proceeding to cancel a registration. *Novo Nordisk*, 2007 WL 2010785 at *2. In *Novo Nordisk*, “applicant filed a separate petition to cancel opposer’s pleaded registration, asserting the identical counterclaim grounds as have been asserted in this proceeding.” The Board noted that “the new cancellation was instituted under Cancellation No. 92046727,” a different matter. *Id.* The Board explained that “[b]ecause the claims in the petition to cancel **duplicate** the counterclaim grounds filed herein, and because the better practice is to raise the defense as a counterclaim, Cancellation No. 92046727 has been dismissed by the Board. See TBMP 313.04 (2d ed. Rev. 2004).” *Id.* (emphasis added).

The result here should be the same as in *Novo Nordisk*. The counterclaim in this action is a duplicative pleading that seeks to cancel the same registrations for which cancellation is sought in counterclaim in the prior proceeding, Opposition No. 91249913. Moreover, as the counterclaim in this action involve the same parties, same marks and same remedies, the counterclaim here should therefore be dismissed. *Novo Nordisk, supra*, 2007 WL 2010785, at *2.

2. **This Duplicative Counterclaim Is the One That Should Be Dismissed Because It is Not a Compulsory Counterclaim, Whereas the Counterclaim in the Previously-Filed Action is Compulsory**

In addition to being a duplicative counterclaim, the counterclaim in this action is the one that should be dismissed because it is not a compulsory counterclaim. In contrast, the counterclaim in Opposition No. 91249913 is a compulsory counterclaim.

The Trademark Office's compulsory counterclaim rule provides that "[a] defense attacking the validity of any one or more of the registrations pleaded in the opposition shall be a compulsory counterclaim." 37 C.F.R. 2.106(b)(2)(i). The purpose of compulsory counterclaim rules is to prevent duplicative litigation. *Tonka Corp. v. Rose Art Indus., Inc.*, 836 F. Supp. 200, 215-17 (D.N.J. 1993), citing *Great Lakes Rubber Corp. v. Herbert Cooper Co.*, 286 F.2d 631, 634 (3d Cir. 1961). Here, the counterclaim asserted in the prior proceeding, Opposition No. 91249913, is compulsory because it attacks the validity of registrations asserted in that opposition.

Prolacto had the opportunity to bring its compulsory counterclaim in the prior proceeding, Opposition No. 91249913. It failed to do so in a timely fashion, filing it only after the Board issued a notice of default but before the Board ruled on Prolacto's motion for relief from default, which is currently pending.¹

Due to the compulsory counterclaim rule set forth above, whether Prolacto will be allowed to assert its counterclaim in Opposition No. 91249913 depends on the outcome of its pending motion for relief from default in that opposition proceeding. Whether or not the Board

¹ A notice of default was entered on September 20, 2019 in Opposition No. 91249913 and Prolacto filed its motion to set aside the default on October 31, 2019. *See* TTABVUE Dkt. Nos. 4 & 6. Thereafter, Prolacto filed its answer and counterclaims in the instant action, Opposition No. 91245908, wherein the counterclaims are duplicative of the compulsory counterclaims in Opposition No. 91249913. *See* TTABVUE Dkt. No. 20.

relieves Prolacto from the default, Prolacto cannot assert its compulsory counterclaim in this proceeding because the counterclaim is not compulsory here; it is only compulsory in Opposition No. 91249913. A defendant who fails to timely plead a compulsory counterclaim cannot avoid the effect of its failure by thereafter asserting the counterclaim grounds in a separate petition to cancel. In such a case, the separate petition (i.e., the counterclaim here) will be dismissed, on motion, on the ground that the substance of the petition constitutes a compulsory counterclaim in another proceeding, and that it was not timely asserted. TBMP § 313.04, *citing Vitaline Corp. v. General Mills Inc.*, 891 F.2d 273, 276 (Fed. Cir. 1989) (Trademark Rule requiring the pleading of compulsory counterclaims was “clearly violated” by an assertion of a claim not as a counterclaim in the original proceeding but as a “purportedly new claim in a separate [cancellation] proceeding”); *Consolidated Foods Corp. v. Big Red, Inc.*, 231 U.S.P.Q. (BNA) 744, 746 (T.T.A.B. 1986) (failure to seasonably assert a compulsory counterclaim in opposition cannot be avoided by filing a petition to cancel). *See also Tonka, supra*, 836 F. Supp. at 215-16, *citing Baker v. Gold Seal Liquors*, 417 U.S. 467, 469 n.1 (1974) (“A counterclaim which is compulsory but is not brought is thereafter barred.”); *General Teamsters, Chauffeurs, Helpers and Warehousemen Union of America v. Lawrence-Mercer County Builders Asso.*, 88 F.R.D. 644, 645 (W.D. Pa.1980) (holding counterclaim compulsory because it could have been raised in prior proceeding, and should have been raised there).²

² Similarly, under the Federal Rules of Civil Procedure, pleadings “shall state as a counterclaim any claim which at the time of serving the pleading the pleader has against any opposing party, if it arises out of the transaction or occurrence that is the subject matter of the opposing party's claim and does not require for its adjudication the presence of third parties of whom the court cannot acquire jurisdiction.” *Fed.R.Civ.P.* 13(a). The rule is liberally applied and “was designed to prevent multiplicity of actions and to achieve resolution in a single lawsuit of all disputes arising out of common matters.” *Southern Constr. Co. v. Pickard*, 371 U.S. 57, 60 (1962). A subsequent action cannot be maintained where the claims asserted should have been brought as compulsory counterclaims in a previous action. *See Springs v. First Nat'l Bank*, 835 F.2d 1293,

B. Alternatively, The Board Should Suspend The Counterclaim in this Proceeding

The Board has a well-settled policy to suspend proceedings when parties are involved in another Board proceedings which may be dispositive or have some bearing on the instant proceeding. *Sturgis Motorcycle Rally, Inc., v. Faraz Farrokhi*, Opposition No. 91202020, 2013 WL 11247190, at *6 (T.T.A.B. 2013) (motion to suspend granted where opposer’s pleaded registrations were at issue in both proceedings); *Patron Spirits Int’l AG, v. CB Spirits S.A.R.L.*, Opposition No. 91242232 at 1 (T.T.A.B. 2018) (suspending later-filed opposition pending the final disposition of another prior opposition filed by the same parties and involved the same marks) [TTABVue Dkt. No.6]. Accordingly, if the Board does not dismiss the counterclaim in the instant action, it should stay it pursuant to TBMP 510.02(a) and 37 C.F.R. § 2.117, which provides:

[T]he Board may also, in its discretion, suspend a proceeding pending the final determination of another Board proceeding in which the parties are involved [Note 3.] . . . Unless there are unusual circumstances, the Board will suspend proceedings in the case before it if the final determination of the other proceeding may have a bearing on the issues before the Board. [Note 8.]

TBMP 510.02 (a).

Under C.F.R. § 2.117(c), “Proceedings may also be suspended sua sponte by the Board, or for good cause, upon motion” 37 C.F.R. § 2.117(c).

1296 (9th Cir.1988); *see also* 6 Charles A. Wright, Arthur R. Miller & Mary Kay Kane § 1417, p. 129 (1990). The district court has the discretion to enjoin a party from bringing its compulsory counterclaim in a subsequent federal [state or foreign] court action. *See Seattle Totems Hockey Club, Inc. v. National Hockey League*, 652 F.2d 852, 854-55 (9th Cir. 1981), *cert. denied*, 457 U.S. 1105 (1982); *Caesars World, Inc. v. Milanian*, 247 F. Supp. 2d 1171, 1201-02 (D. Nev. 2003) (disallowing a party from bringing its compulsory counterclaim in a subsequent federal court action).

The Board has consistently suspended proceedings where an earlier-filed proceeding involved identical parties and marks as the later-filed proceeding. Illustrative of this practice, in a series of four oppositions involving Omega SA and Alliant Techsystems Inc., the Board suspended the later-filed oppositions pending outcome of the prior proceeding. *Omega SA, v. Alliant Techsys. Inc.*, Opposition No. 91214499 at 3-4 (T.T.A.B. 2014) [TTABVUE Dkt. No. 7] (order suspending third opposition); *Omega SA, v. Alliant Techsys. Inc.*, Opposition No. 91216206 at 4 (T.T.A.B. 2014) [TTABVUE Dkt. No. 7] (order suspending fourth opposition); *Omega SA, v. Alliant Techsys. Inc.*, Opposition No. 91219634, 2015 WL 4611692, at *1 (T.T.A.B. 2015) (Respondent's brief explaining the procedural chronology).

In granting the applicant's request to suspend the third and the fourth oppositions until a decision is made on the first two oppositions, the Board, relying on 37 C.F.R. § 2.117(a), reasoned that:

Given the duration of the earlier-filed proceedings, the Board does not doubt that, in this case . . . the common claims involved in the proceedings are and will continue to be the same. Further, inasmuch as applicant's marks involved are so similar . . . the earlier-filed proceeding may have a bearing on this proceeding. In view thereof, the Board finds that suspension of this proceeding is appropriate.

Omega SA, supra, Opposition No. 91214499 at 3-4; (order suspending third opposition); *Omega SA, supra*, Opposition No. 91216206 at 4 (order suspending fourth opposition).

The same result should apply here as the outcome of the pending motion in Opposition No. 91249913 will have a bearing on the instant Opposition since the counterclaims in both oppositions are identical.

Likewise, where a party moved to dismiss a cancellation action, and alternatively, suspend the proceedings on the grounds that a previously-filed proceeding would be

determinative of the issues in the later-filed proceeding, the Board suspended the later proceedings pending the outcome of the related earlier-proceeding. *GE Osmonics, Inc. v. Osmosis Tech., Inc.*, Cancellation No. 92041173, 2005 WL 2084525, at *1 (T.T.A.B. 2005) (the Board deferred consideration of respondent's motion to dismiss and granted its motion to suspend pending final outcome of related Board proceeding); *GE Osmonics, Inc.*, Cancellation No. 92041173 at 2 (T.T.A.B. 2003) (granting motion to suspend as the pending cancellation proceeding "will be dispositive of, or have a bearing on these proceedings . . .") [TTABVue Dkt. No. 7]. The counterclaim in Opposition Nos. 91249913 will certainly have "a bearing" on the same counterclaim asserted here, as they involve the same registrations and seek the same relief - cancellation.

Again, the counterclaim in Opposition No. 91249913 is compulsory. The counterclaim in Opposition No. 91245908 is *not* compulsory. Because the counterclaim is compulsory in Opposition No. 91249913, the counterclaim in this proceeding should be suspended pending the outcome of Opposition No. 91249913. Further, the Board has not yet ruled on Prolacto's motion for relief from default and even assuming *arguendo* that the Board decides to set aside Prolacto's default, Prolacto should not be given a second bite at the apple when it failed to timely plead a proper compulsory counterclaim in the relevant proceeding where that compulsory should have been pleaded.

C. No Answer to the Counterclaim Is Due At This Time

Finally, as doing so is the Board's usual practice, Opposer will not be filing an answer to the counterclaim at this time pursuant to TBMP § 510.02(a). Section 510.02(a) provides that "[t]he Board does not usually require that an issue be joined (that an answer be filed) in one or both proceedings before the Board will consider suspending a Board proceeding pending the outcome of another proceeding." TBMP § 510.02(a). Further, a motion to dismiss a

counterclaim is a sufficient responsive pleading which does not require filing of an answer, and the Board precedents show that the Board does not require filing of an answer where a party moved to suspend in lieu of filing an answer. *See Patron Spirits Int'l AG, supra*, at 1; *see also ETS Express, Inc. v. Can't Live Without It, LLC*, Cancellation No. 92066213, 2019 WL 355792, at *1-2 (T.T.A.B. 2019) (motion to suspend granted where respondent moved to suspend in lieu of an answer pending final outcome of a civil action); *Tipsy Spa & Salon v. Thanh Nguyen*, Cancellation No. 92055403, 2012 WL 12517498, at *1 (T.T.A.B. 2012) (same); *Aimpes v. Hermes Int'l, Inc.*, Cancellation No. 28,271, 2002 WL 1359365, at *1 (T.T.A.B. 2002) (motion to suspend granted where respondent moved to dismiss or in the alternative, moved to suspend pending outcome of a civil action).

IV. CONCLUSION

For the foregoing reasons, Opposer respectfully requests that the Board dismiss the counterclaims asserted in this proceeding, or in the alternative, stay them.

Respectfully submitted,

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Dated: January 17, 2020

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CERTIFICATE OF TRANSMISSION

I hereby certify that this correspondence is being transmitted electronically through the ESTTA Filing System to the United States Patent and Trademark Office on this 17th day of January, 2020.

/Laura L. Chapman/

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This is to certify that I have this 17th day of January 2020, caused to be served a copy of the foregoing correspondence by having a copy placed in the United States First Class Mail, postage pre-paid, and by E-MAIL addressed to:

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