

THIS ORDER IS NOT A
PRECEDENT OF THE
TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500
General Email: TTABInfo@uspto.gov

Faint

October 1, 2021

Opposition No. 91253105

Opposition No. 91253653

Opposition No. 91254743

Opposition No. 91266658

Chubby Gorilla, Inc.

v.

Hills Point Industries, LLC

By the Trademark Trial and Appeal Board:

These consolidated proceedings are before the Board for consideration of Chubby Gorilla, Inc.'s, (Opposer) motion, filed June 2, 2021, to dismiss Hills Point Industries, LLC's (Applicant) counterclaims to cancel Opposer's pleaded Registration Nos. 4949119,¹ 5053505² and 5223288³ for the marks CHUBBY GORILLA in drawing and standard character form, as the counterclaims were compulsory and are now untimely filed.⁴ The motion is fully-briefed.

¹ Registered May 3, 2016 under Trademark Act § 1(a).

² Registered Oct. 4, 2016 under Trademark Act § 1(a).

³ Registered Dec. 5, 2016 under Trademark Act § 1(a).

⁴ Opposer for the first time pleaded ownership of two additional registrations, Registration Nos. 5209535 and 6098811 in the notice of opposition for Opposition No. 91266658. Opposer does not dispute that Applicant's counterclaims to cancel those two registrations are timely.

I. Background

Opposer has filed four oppositions to Applicant's eight applications to register the mark GORILLA GRIP in standard character and drawing forms, which opposition numbers are listed in the heading above. The grounds for opposition in all four oppositions are likelihood of confusion under Trademark Act § 2(d), a claim listed in the ESTTA cover sheets as "common law rights asserted in the Notice of Opposition,"⁵ or "common law rights,"⁶ or "non-registered statutory and common law rights;⁷ and claims of false suggestion of a connection. A brief filing history is necessary to understanding the issues in the motion to dismiss:

- Opposition No. 91253105 was filed December 23, 2019, and the answer was filed March 30, 2020;
- Opposition Nos. 91253653 and 91254743 were filed January 16, 2020 and March 18, 2020 with the answers to each filed on April 27, 2020;
- Proceeding Nos. 91253105 and 91253653 were suspended for settlement negotiations for 60 days ending March 30, 2020;
- Opposition Nos. 91253105, 91253653 and 91254743 pleaded Opposer's claims of ownership as to its Registration Nos. 4949119, 5053505 and 5223288, and were consolidated at the request of the parties on September 23, 2020;
- Opposition No. 91266658 was filed on December 18, 2020 pleading Opposer's claims of ownership of the three registrations pled in the three prior oppositions and adding claims of ownership for Registration Nos. 5209535 and 6098811;
- Proceedings were further consolidated to include Opposition No. 91266658 on February 3, 2021 and suspended for settlement negotiations for 30 days ending February 13, 2021;

⁵ Opposition No. 91253105, 1 TTABVUE 1.

⁶ Opposition Nos. 91253653 and 91254743, 1 TTABVUE 2.

⁷ Opposition No. 91266658, 1 TTABVUE 2.

- Suspension was continued for settlement negotiations for 30 days ending on March 15, 2021;
- the answer and counterclaims in Opposition No. 91266658 as to all five of Opposer's pleaded registration were filed on April 14, 2021;
- Opposer filed its answer to the counterclaims for cancellation, affirmative defenses, and cross-counterclaim to cancel Applicant's pleaded Registration No. 5060102 on June 9, 2021.

With its answer filed in Opposition No. 91266658, Applicant included, for the first time, counterclaims to cancel Opposer's five pleaded registrations, including the three that had been pleaded in the three previous oppositions, on the grounds that Opposer is not currently and has never used the registered marks in interstate commerce for all of the goods and services identified in the respective registrations and was not using the marks for all of the goods and services at the time of filing its statements of use.

Opposer argues that the counterclaims to cancel its first three pleaded Registration Nos. 4949119, 5053505 and 523288 were compulsory counterclaims at the time Applicant filed its answers to the first three oppositions, or April 27, 2020 at the latest, and moves to dismiss the three counterclaims as untimely.

Applicant argues its counterclaims should be allowed as timely filed and that it learned new facts regarding the scope of Opposer's asserted rights during the parties' failed settlement negotiations. Any delay, Applicant argues is a little over one year, which time period also included suspensions for settlement, motions to consolidate and a motion to divide.⁸

⁸ The Board notes that proceedings were suspended for a total of 120 days for settlement negotiations, 60 days of which occurred after the filing of the answers in Opposition Nos. 91253653 and 91254743, the latest filed of the three earlier oppositions.

II. Analysis and Decision

Opposer's motion to dismiss does not dispute Applicant's entitlement to a statutory cause of action to maintain the proceeding.⁹ The motion charges that Applicant's counterclaims were compulsory upon Applicant's filing of its answers in the three opposition proceedings and are thus untimely filed with its answer in the fourth opposition.

Counterclaims for cancellation of registrations pleaded by an opposer are governed by Trademark Rule 2.106(b)(3)(i), 37 C.F.R. § 2.106(b)(3)(i). To be timely, the grounds for a counterclaim to cancel a pleaded registration must be brought when the answer is filed, or promptly after the grounds are learned during the course of the proceeding. *Turbo Sportswear, Inc. v. Marmot Mountain Ltd.*, 77 USPQ2d 1152, 1154 (TTAB 2005). A counterclaim to cancel a pleaded registration in an opposition proceeding is a compulsory counterclaim if grounds for the counterclaim existed at the time the answer was filed. *Jive Software, Inc. v. Jive Commc'ns, Inc.*, 125 USPQ2d 1175, 1177 (TTAB 2017); *see also* TBMP § 313.04 (2021).

⁹ Standing to file an opposition under the Trademark Act is now termed entitlement to a statutory cause of action. *Major League Soccer, LLC v. F.C. Int'l Milano S.p.A.*, 2020 USPQ2d 11488, at *5 n. 18 (TTAB 2020). Despite the change, the Board's prior decisions on "standing" and those of the Federal Circuit interpreting Sections 13 and 14 of the Act remain applicable. *Corcamore, LLC v. SFM, LLC*, 978 F.3d 1298, 2020 USPQ2d 11277, at *4 (Fed. Cir. 2020). As the Court of Appeals for the Federal Circuit has observed, there is "no meaningful, substantive difference between the analytical frameworks" in the prior "standing" case law, under which a plaintiff must show a real interest in the proceeding and a reasonable basis for its belief in damage, *see Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014), and the current "entitlement" case law, under which a plaintiff must show an interest falling within the zone of interests protected by statute and damage proximately caused by registration. *Corcamore*, 2020 USPQ2d 11277, at *4.

Applicant seeks to plead, inter alia, counterclaims to cancel the three registrations pled by Opposer in its notices of opposition filed more than one year prior to the asserted counterclaims on grounds that Opposer has not used the marks on all of the goods and services identified in the registrations.¹⁰ In assessing Opposer's motion to dismiss, the Board must consider: 1) whether the grounds for the counterclaims were known to Applicant when it filed its answers in the three previous oppositions, and 2) if not, whether Applicant acted "promptly" in petitioning to cancel the involved registrations after it learned of the grounds for such claims. *See Turbo Sportswear*, 77 USPQ2d at 1154.

A review of Applicant's three previous answers shows that it asserted "defenses" that it owns a prior registration with prior rights for kitchen goods in International Class 21.¹¹ The counterclaims also plead ownership of Applicant's prior registration for kitchen utensils and that Opposer's three pleaded registrations are related to kitchen and household goods and kitchen utensils.¹² While the counterclaims include some additional amplifying allegations regarding Opposer's alleged nonuse of the goods, the Board finds that the facts underlying those allegations, that Opposer was claiming use of its registrations for kitchen and household goods and utensils, were known to Applicant at the time it filed its answers in the three previous oppositions.

Applicant's assertion that it only learned of the grounds during the parties failed settlement negotiations is a smoke screen, as what Applicant states in its motion is that

¹⁰ 18 TTABVUE 14-17. The Board notes the answer and counterclaims for Opposition No. 91266658 were filed both in that opposition and in the parent case Opposition No. 91235105.

¹¹ *See, e.g.*, 6 TTABVUE 7.

¹² 18 TTABVUE 13.

it learned Opposer intended to assert trademark rights in a “broader manner against a different range of goods than against those already asserted.”¹³ Opposer argues in reply that Applicant “misrepresents the opposed goods and services,” as the goods and services identified in the three previously filed oppositions are not significantly different from those against which Opposer had previously asserted rights, that Applicant was on notice of the full scope of the goods and services at issue, and that there are simply no new facts or circumstances supporting Applicant’s claims. In this instance, the Board finds that the goods and services in Opposer’s three originally pleaded registrations were known to Applicant when it filed its three previous answers and do not provide a reason for allowing the pleading of the compulsory counterclaims.

Nor can the settlement negotiations themselves serve as a basis for information to assert a counterclaim as statements made in settlement negotiations are not relevant to any reasons Applicant may assert for its failure to timely plead its compulsory counterclaims.

The Board notes that the counterclaims were filed in the fourth opposition proceeding with Applicant’s timely answer to that proceeding and prior to the close of discovery. Although the consolidated cases may be presented on the same record and the same briefs, each of the oppositions retains its separate character, requires entry of a separate judgment, and the decision will take into account any differences in the issues raised by the respective pleadings. *See Dating DNA LLC v. Imagini Holdings Ltd.*, 94 USPQ2d

¹³ 23 TTABVUE 7.

1889, 1893 (TTAB 2010). The counterclaims are timely as to the fourth opposition proceeding.

However, whether there has been undue delay in asserting a compulsory counterclaim is inextricably linked with whether the opposer is subject to prejudice. *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355, 1359 (TTAB 1989). Applicant argues it has not unduly delayed in filing its counterclaims as intervening motions to consolidate, divide and to suspend for settlement negotiations have limited the progress of this proceeding, Opposer has not yet responded to discovery requests, and the recurring filings of subsequent oppositions by Opposer, which were then consolidated into this single proceeding have caused resetting of the dates. Opposer argues in reply that Applicant was aware of the basis for the counterclaims when it filed its three prior answers and has waived its rights in connection with those counterclaims.

Whether there is prejudice to Opposer is largely dependent upon the timing of the counterclaims. *Id.* (finding no prejudice where counterclaim pleaded promptly and discovery still open). Once settlement discussions ended, Applicant timely filed its answer and counterclaims in the fourth opposition. It would be unfair in this particular case to deem Applicant's compulsory counterclaims as untimely based on the short time that has elapsed as it would otherwise be barred from asserting them in any subsequent cases. *See Jive Software*, 125 USPQ2d at 1181 (finding opposer not prejudiced by amendment to allow compulsory counterclaim where refusal to allow compulsory counterclaim could preclude applicant from raising those claims in any subsequent proceedings); *see also, See's Candy Shops, Inc. v. Campbell Soup Co.*, 12 USPQ2d 1395, 1397 (finding liberal

policy established by Fed. R. Civ. P. 13 dictates allowing petition to cancel which was compulsory counterclaim in prior proceeding where effect of dismissing claim would be to foreclose plaintiff from asserting any claim against pleaded registration).

While a defendant who fails to timely plead a compulsory counterclaim cannot avoid the effect of its failure by later asserting the counterclaim in a separate proceeding, *Freki Corp. v. Pinnacle Entm't, Inc.*, 126 USPQ2d 1697, 1701 (TTAB 2018) (petitioner barred from asserting one of its claims in cancellation proceeding because it was aware of ground in earlier cancellation proceeding but failed to assert as compulsory counterclaim), in this instance the answer and counterclaims filed in the fourth opposition proceeding are timely filed and the Board cannot find prejudice to Opposer where discovery is still open and this case has not yet proceeded to the trial stage. Nor has Opposer argued that it will lose access to evidence or witnesses if Applicant's compulsory counterclaims are allowed at this juncture.

Accordingly, Opposer's motion to dismiss as untimely the counterclaims as to its Registration Nos. 4949119, 5053505 and 5223288 is **denied**.

III. Review of the Pleadings

A motion to dismiss necessarily requires a review of the pleadings. The Board has reviewed the four notices of opposition and the answers and counterclaims and cross-counterclaim, and determined the following.

A. False suggestion of a connection

Opposer's four notices of opposition have claims that Applicant's applications are likely to deceive,

- by falsely suggesting a connection with Chubby Gorilla;
- by falsely suggesting a connection with Chubby Gorilla's Goods and Services;
- by falsely suggesting a connection with the goods in Chubby Gorilla's Federal Registrations.¹⁴

To the extent Opposer seeks to assert claims of false suggestion of a connection under Trademark Act § 2(a), the claims are **stricken**.

Trademark Act Section 2(a) provides in pertinent part:

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it --

(a) Consists of or comprises ... matter which may ... falsely suggest a connection with persons, living or dead

15 U.S.C. § 1052(a).

To properly plead a Section 2(a) claim of false suggestion of a connection, a plaintiff must allege the following:

1. defendant's mark is the same or a close approximation of plaintiff's name or identity;
2. defendant's mark would be recognized as such by purchasers, in that the mark points uniquely and unmistakably to the person or institution named or identified;
3. plaintiff is not connected with the goods sold or activities performed by the defendant under the mark; and
4. plaintiff's name or identity is of sufficient fame or reputation that when the defendant's mark is used in connection with its goods or services, a connection with the plaintiff would be presumed.

In re Nieves & Nieves, LLC, 113 USPQ2d 1629, 1632-33 (TTAB 2015) (citing inter alia, *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imps. Co.*, 703 F.2d 1372, 217 USPQ

¹⁴ Opposition Nos. 9125310 and 91254743, 1 TTABVUE 10; Opposition No. 91253653 1 TTABVUE 12; and Opposition No. 91266658, 1 TTABVUE 13.

505, 509 (Fed. Cir. 1983) and *Bd. of Trs. v. Pitts*, 107 USPQ2d 2001, 2025 (TTAB 2013)). Fundamental to a pleading of false suggestion of a connection under Trademark Act § 2(a) is the "initial and critical requirement" that the identity being appropriated is unmistakably associated with the plaintiff. *Springs Indus., Inc. v. Bumblebee Di Stefano Ottina & C.S.A.S.*, 222 USPQ 512, 514 (TTAB 1984) (quoting *Univ. of Notre Dame*, 217 USPQ at 509).

Nowhere in the pleading does Opposer allege that its marks are its name or identity, a "key factor" in the false suggestion of a connection analysis. *Bd. of Trs. v. Pitts*, 107 USPQ2d at 2025 (opposed mark must do more than simply "bring to mind" Opposer's mark).

The Court of Appeals for the Federal Circuit has pointed out that there is a critical distinction between claims of likelihood of confusion under Trademark Act § 2(d) and false suggestion of a connection under Trademark Act § 2(a) wherein § 2(a) is meant to protect the name of an individual, which is not technically a "trademark" or "trade name" subject to claims under § 2(d). *Univ. of Notre Dame*, 703 F.2d 1372, 217 USPQ at 508.

IV. Schedule

Proceedings are resumed. The time for Applicant to file its answer to the cross-counterclaim in Opposition No. 91266658 is set out below. In the schedule below Opposer is the plaintiff in the opposition and plaintiff in the cross-counterclaim. Applicant is the defendant in the opposition, plaintiff in the counterclaim and defendant in the cross-counterclaim.

Answer to Cross-Counterclaim Due	10/29/2021
Deadline for Discovery Conference on any additional issues	11/28/2021

Discovery Opens	Open
Initial Disclosures Due on any additional claims	12/28/2021
Expert Disclosures Due	4/27/2022
Discovery Closes	5/27/2022
Pretrial Disclosures Due for Party in Position of Plaintiff in Original Claim, Plaintiff in Cross-Counterclaim	7/11/2022
30-day Trial Period Ends for Party in Position of Plaintiff in Original Claim, Plaintiff in Cross-Counterclaim	8/25/2022
Pretrial Disclosures Due for Party in Position of Defendant in Original Claim and in Cross-Counterclaim, and in Position of Plaintiff in Counterclaim	9/9/2022
30-day Trial Period Ends for Party in Position of Defendant in Original Claim and in Cross-Counterclaim, and in Position of Plaintiff in Counterclaim	10/24/2022
Pretrial Disclosures Due for Rebuttal of Party in Position of Plaintiff in Original Claim and in Cross-Counterclaim, and in Position of Defendant in Counterclaim	11/8/2022
30-day Trial Period Ends for Rebuttal of Party in Position of Plaintiff in Original Claim and Cross-Counterclaim, and in Position of Defendant in Counterclaim	12/23/2022
Pretrial Disclosures Due for Rebuttal of Party in Position of Plaintiff in Counterclaim	1/7/2023
15-day Trial Period Ends for Rebuttal of Party in Position of Plaintiff in Counterclaim	2/6/2023
Combined Opening Brief for Party in Position of Plaintiff in Original Claim and Plaintiff in Cross-Counterclaim Due	4/7/2023
Combined Brief for Party in Position of Defendant in Original Claim and Defendant in Cross-Counterclaim and Opening Brief as Plaintiff in Counterclaim Due	5/7/2023
Combined Rebuttal Brief for Party in Position of Plaintiff in Original Claim and Plaintiff in the Cross-Counterclaim, and Brief as Defendant in Counterclaim Due	6/6/2023
Rebuttal Brief for Party in Position of Plaintiff in Counterclaim Due	6/21/2023
Request for Oral Hearing (optional) Due	7/1/2023

Generally, the Federal Rules of Evidence apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many

requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125. These include pretrial disclosures, the manner and timing of taking testimony, matters in evidence, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition transcripts and stipulated evidence. Trial briefs shall be submitted in accordance with Trademark Rules 2.128(a) and (b). Oral argument at final hearing will be scheduled only upon the timely submission of a separate notice as allowed by Trademark Rule 2.129(a).
