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

RK

September 28, 2023

Opposition No. **91283364**

*Equibal, Inc.*

*v.*

*Bruno Borges Garcia*

**By the Trademark Trial and Appeal Board:**

On December 23, 2022, Opposer filed a notice of opposition against Application Serial No. 97411722.[1] As grounds therefor, Opposer asserted claims of, *inter alia*, likelihood of confusion and dilution. A notice of institution was issued on February 13, 2023, by which Applicant was allowed until March 25, 2023, to file an answer in this matter.[2] No answer was filed.

On April 3, 2023, new counsel appeared[3] on behalf of Applicant and on April 10, 2023, Applicant filed a motion[4] to suspend this matter pending the disposition of a civil action[5] between the parties. On April 11, 2023, Opposer cross-moved for default

---

1 1 TTABVUE.

2 2 TTABVUE 3.

3 4 TTABVUE.

4 5 TTABVUE.

5 *Equibal, Inc. v. 365 Sun LLC*, Civil Action No. 7:21-cv-06254 in the United States District Court for the Southern District of New York.

judgment for Applicant's failure to answer.[6] As noted in the Board's suspension order of April 13, 2023, the Board will first address the motion for default judgment.[7]

**Motion for Default Judgment**

Generally, when a plaintiff moves for default judgment against a defendant who is in default for failure to timely answer the complaint, default judgment will not be entered if the defendant can show good cause for why default judgment should not be entered against it. *See* Fed. R. Civ. P. 55(c) ("court may set aside an entry of default for good cause"); *DeLorme Publ'g Co. v. Eartha's Inc.*, 60 USPQ2d 1222, 1223 (TTAB 2000) ("the issue presented … by opposer's motion for default judgment is whether applicant has shown the existence of 'good cause' to cure its default"). Good cause is generally found where "(1) the delay in filing is not the result of willful conduct or gross neglect, (2) the delay will not result in substantial prejudice to the opposing party, and (3) the defendant has a meritorious defense." *Id.*

In his response to Opposer's motion for default judgment, Applicant states that he "needed to retain new US counsel" and that since "the Board had not entered default on [sic] its own volition, … Defendant and undersigned counsel did not believe an Answer would be required, given the obvious propriety of suspending this proceeding in lieu of the pending federal court action."[8]

---

[6] 6 TTABVUE.

[7] 7 TTABVUE.

[8] 11 TTABVUE 3.

While true that Applicant filed a motion for suspension based on the pendency of a civil action between the parties, such motion was filed after an answer was overdue and therefore provides little cause for why Applicant failed to timely answer the notice of opposition. Nevertheless, it appears that Applicant, a foreign domiciliary, found it necessary to retain new counsel and did so, which reflects Applicant's intention to defend himself in this matter rather than to willfully delay or neglect the proceeding. This intention manifested itself ten days after the deadline for answer with the appearance of new counsel and continued seven days later with the filing of the motion for suspension. The short delay between the time for answer and Applicant's participation in this matter can hardly be viewed as prejudicial to Opposer and, indeed, Opposer has made no such claim.

As to a meritorious defense, a party may demonstrate that it has a meritorious defense by filing an answer that is not frivolous. *See Fred Hayman Beverly Hills, Inc. v. Jacques Bernier, Inc.*, 21 USPQ2d 1556, 1557 (TTAB 1991). No answer was submitted by Applicant in opposing the motion for default and Applicant's reference to a yet to be filed answer in the civil action does not translate to a meritorious defense in this proceeding. This failure to submit an answer, however, is not fatal to Applicant's response and the Board notes Applicant's representation that he stands ready to do so.[9]

In view thereof, Opposer's motion for default judgment is **DENIED contingent on Applicant filing an answer to the notice of opposition**. **Applicant is**

[9] *Id.* at 4.

**allowed until OCTOBER 26, 2023, to do so, failing which default judgment will be entered against Applicant**.

**Motion to Suspend for Civil Action**

Trademark Rule 2.117(a), 37 C.F.R. § 2.117(a), provides as follows:

> (a) Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding.

Accordingly, the Board's well-settled policy is to suspend proceedings when a party is involved in a civil action which may have a bearing on the Board case. *See, e.g., New Orleans La. Saints LLC v. Who Dat?, Inc.*, 99 USPQ2d 1550, 1552 (TTAB 2011); *Gen. Motors Corp. v. Cadillac Club Fashions Inc.*, 22 USPQ2d 1933, 1937 (TTAB 1992). It is not necessary that the parties, the issues, or the relief sought in the civil action and the Board proceeding be identical or that the civil action be dispositive of the Board proceeding.

The parties herein are also parties to the civil action in the same positions as plaintiff and defendant and there are questions of law and fact that are common to both the Board proceeding and the civil action since Opposer's claims of infringement and unfair competition in the civil action concern the very marks that are the subject of this opposition proceeding. *See Other Tel. Co. v. Conn. Nat'l Tel. Co.*, 181 USPQ 125, 126-27 (TTAB 1974) (finding that determination of infringement and unfair competition in civil action will directly bear on likelihood of confusion claim in Board proceeding). Indeed, the overlap between the cases and the

bearing the civil action may potentially have on the Board proceeding are not disputed by Opposer. Rather, Opposer's objection to suspension stems from the putative difficulty it has faced in serving Applicant with process in the civil action.[10] This objection, however, appears to have been overcome as Applicant represents that he has since been served as of April 21, 2023.[11]

Additionally, since the Board's jurisdiction is a limited one, *see Frito-Lay N. Am., Inc. v. Princeton Vanguard, LLC*, 100 USPQ2d 1904, 1907 (TTAB 2011) (Board's jurisdiction limited to determining the right to register), neither judicial economy nor an economical disposition of the parties' dispute will be achieved by allowing this matter to proceed in parallel with or over the civil action. *See Am. Bakeries Co. v. Pan-O-Gold Baking Co.*, 650 F.Supp. 563, 2 USPQ2d 1208, 1211 (D. Minn. 1986) (stay of district court action more likely to prolong dispute than lead to its economical disposition where the district court action includes claims which cannot be raised before the Board). Thus, the Board sees little to be gained in allowing this matter to proceed in view of the pending civil action.

In view thereof, Applicant's motion for suspension is **GRANTED contingent upon the joinder of issue in this matter**. As noted *supra*, Applicant is allowed until **OCTOBER 26, 2023**, to serve and file his answer to the notice of opposition.

Proceedings herein shall otherwise remain **SUSPENDED**.

* * *

[10] 8 TTABVUE 2-3.

[11] 10 TTABVUE 3, 6-7.