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**UNITED STATES PATENT AND TRADEMARK OFFICE**  
**Trademark Trial and Appeal Board**  
2900 Crystal Drive  
Arlington, Virginia 22202-3513

Wolfson  
2003

Mailed: February 13,

Opposition No. 91120202  
Cancellation No. 30944

LEO STOLLER DBA CENTRAL  
MFG.

v.

NISSAN JIDOSHA KABUSHIKI  
KAISHYA DBA NISSAN MOTOR  
CO., LTD.

Before Hairston, Rogers and Drost, Administrative Trademark  
Judges.

By the Board:

This case now comes before us for consideration of the motion filed October 23, 2000 by applicant/respondent Nissan Motor Co., Ltd. (hereinafter "Nissan") to dismiss the combined notice of opposition and petition to cancel filed by opposer/petitioner, Leo Stoller (hereinafter "Stoller"). Stoller seeks cancellation of Nissan's registration for the mark SENTRA and opposes its application for the mark SENTRA CA, both for "automobiles and structural parts therefor."<sup>1</sup> Stoller has filed a response to the motion to dismiss;

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<sup>1</sup> Registration No. 1,509,170 and trademark application Serial No. 75/811,242.

Nissan filed a reply brief in support of its motion; and Stoller has filed a surreply.<sup>2</sup>

**THE AMENDED COMPLAINT**

On February 25, 2002, Stoller filed an amended complaint. Inasmuch as Nissan has not yet served a responsive pleading to the original complaint, Stoller's amended pleading is accepted and is hereby entered into the record. See Fed. R. Civ. P. 15(a); Trademark Rules 2.107 and 2.115.

Although Nissan's motion to dismiss was directed to Stoller's original complaint, both the original and the amended complaint are essentially based on identical grounds. Thus, we construe Nissan's motion to dismiss, and treat the arguments raised in the parties' briefs, as also directed to Stoller's amended complaint.

**NISSAN'S MOTION TO DISMISS THE PETITION TO CANCEL**

Nissan's motion is directed to both the opposition and the cancellation. As the issues presented differ in each case, we first consider Nissan's motion in regard to the petition to cancel.

As a threshold matter, we note that we have considered Nissan's motion as a motion to dismiss the petition to cancel, rather than as a motion for summary judgment.

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<sup>2</sup> Because it clarifies the issues before us, we have considered Nissan's reply brief; Stoller's surreply is prohibited by Trademark Rule 2.127(a) and has not been considered.

If, on a motion to dismiss for failure of the complaint to state a claim upon which relief can be granted, matters outside the pleadings are presented to and not excluded by the court, Fed. R. Civ. P. 12(b)(6) requires the court to notify the parties that the motion will be treated as one for summary judgment under Fed. R. Civ. P. 56, thereby providing plaintiff with an opportunity to present material extraneous to its complaint in support of its opposition to the motion to dismiss. But where a plaintiff relies on the terms and effect of a document in drafting the complaint, the court may consider the document on a motion to dismiss and not convert it into a motion for summary judgment. In such a case, because the plaintiff has "actual notice of all the information in the movant's papers and has relied upon these documents in framing the complaint, the necessity of translating a Rule 12(b)(6) motion into one under Rule 56 is largely dissipated." *Cortec Industries, Inc. v. Sum Holding L.P.*, 949 F.2d 42, 48 (2d Cir. 1991); accord *Chambers v. Time Warner, Inc.*, 282 F.3d 147, 153 (2d Cir. 2002).

Nissan has attached to its motion a copy of Stoller's pleading and exhibits thereto, including a copy of the 1988 agreement entered into between the parties during the prosecution of the application to register Nissan's SENTRA

mark.<sup>3</sup> Stoller has relied heavily upon the terms and effect of the 1988 agreement in framing his complaint. The document is integral to his claims that Nissan committed fraud and breach of the agreement. A copy of the agreement was attached to his complaint. Stoller thus clearly had actual notice of all the information contained in the agreement. He was afforded a full opportunity to be heard on the issues raised in Nissan's motion and will not be harmed by our deciding Nissan's motion as a motion to dismiss and considering the agreement in conjunction therewith.<sup>4</sup>

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<sup>3</sup> The agreement was entered into by Nissan and "S Industries, Inc.," allegedly Stoller's predecessor in interest. It reads, in pertinent part, as follows:

"Whereas, Nissan has filed U.S. Trademark Application Serial No. 637,311...

Whereas, S Industries has obtained a number of extensions of time within which to file a notice of opposition; and

Whereas, Nissan and S Industries desire to amicably resolve this controversy.

Now, therefore ... it is agreed as follows:

1. Nissan shall hereafter use the SENTRA trademark only on automobiles and structural parts therefor,...

2. S Industries shall not file a notice of opposition against application Ser. No. 637,311, shall not petition to cancel any registration resulting from application Ser. No. 637,311, and shall not object in any way to Nissan's use or registration of SENTRA for the goods identified in application Ser. No. 637,311.

3. This agreement inures to the benefit of, and is binding upon, Nissan and S Industries, their parents, subsidiaries, sister companies, affiliates, entities which control the foregoing, entities which the foregoing control, and all of their successors and assigns.

Nissan and S Industries have caused this Agreement to be executed by their duly authorized legal representatives."

<sup>4</sup> The Board also took measures to protect Stoller's procedural rights by inviting Stoller to present arguments why Nissan's motion should be treated as a motion for summary judgment, but none were presented.

Stoller alleges that Nissan's alleged fraud and breach of the 1988 agreement are proper grounds for the cancellation of the registration of Nissan's SENTRA mark. Stoller contends that his 1988 agreement with Nissan prohibits Nissan from filing an application for any marks that combine SENTRA with another term, and that because Nissan has filed an application for SENTRA CA, Nissan has not only breached the agreement that allowed Nissan to obtain its SENTRA registration, but has shown that it fraudulently induced Stoller, some eleven years earlier, to enter into the agreement in the first place.<sup>5</sup>

Nissan contends that the breach of contract claim is barred by Trademark Act §14(3) because the registration is more than five years old; that the fraud claim is not alleged with particularity; and that the terms of the 1988 agreement bound Stoller not to petition to cancel the SENTRA mark.

We agree. Stoller's breach of contract claim is barred by Trademark Act §14(3), 15 U.S.C. §1064(3), as Nissan's registration is more than five years old. The fraud claim, to the extent that it is a claim that Nissan fraudulently

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<sup>5</sup> Stoller also alleges, as grounds for both the opposition and the cancellation, prior use and ownership of the mark SENTRA for "boats and bicycles" (Registration No. 1,384,19) and a likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. §1052. Section 2(d) is not available to Stoller in the cancellation action as Nissan's registration is more than five years old. See Trademark Act §14(3); 15 U.S.C. §1064(3).

induced Stoller to enter into the agreement, is not the type of fraud claim generally cognizable by the Board, which typically only reviews claims of fraud perpetrated on the Office in the procurement of, or attempt to procure, a trademark registration and not in the procurement of an agreement made to settle a trademark dispute.<sup>6</sup> Moreover, the basis for the "fraud" claim, as further articulated by Stoller in his briefing of the motion to dismiss, essentially is a claim of breach of an oral promise by Nissan respecting future conduct, not any provision in the settlement agreement. Stoller asserts that Nissan made representations, not included in the settlement agreement, that Nissan would not seek to register variations of the SENTRA mark. Accordingly, the claim has no real relation to Nissan's registration; rather, it is related to the new application and is discussed more fully, *infra*.

The terms of the agreement are plain and bar Stoller from petitioning to cancel Nissan's SENTRA registration. Stoller has not pleaded with any particularity why Nissan's alleged oral promise regarding future conduct should be considered part of the settlement agreement, or why any provision written into the agreement should be considered fraudulent,

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<sup>6</sup> Cf. TBMP § 605.03(d) ("If an agreement settling an inter partes proceeding before the Board is breached by one of the parties thereto, an adverse party's remedy is by way of civil action. The Board has no jurisdiction to enforce such an agreement.").

thereby excusing Stoller from complying with the agreement. In short, the petition to cancel has been brought in violation of the agreement, without pleading of any basis why the agreement should not be considered on its plain terms and be binding on opposer.

For these reasons, the petition to cancel fails to state a claim upon which relief can be granted (either as originally filed or as amended). Accordingly, Nissan's motion to dismiss the petition to cancel is granted and the petition to cancel is hereby dismissed with prejudice.

**NISSAN'S MOTION TO DISMISS THE NOTICE OF OPPOSITION**

Turning to the notice of opposition, we address Nissan's motion as a motion for summary judgment rather than as a motion to dismiss, because we must go beyond the four corners of the 1988 agreement in order to fully consider the essence of Stoller's opposition to Nissan's request for entry of judgment in its favor. Specifically, while Nissan argues that the settlement agreement (which settled the potential opposition to the application to register SENTRA) also bars any opposition to the instant application to register SENTRA CA, Stoller asserts that a separate oral promise of Nissan made at or about the time the settlement was

agreed to bars Nissan from seeking the SENTRA CA registration.

We disagree with Nissan's argument that the settlement agreement bars the Stoller opposition. The agreement was very specific in referring to a particular application, by serial number, and a particular mark, SENTRA. By the involved application, Nissan seeks registration of a different mark, SENTRA CA. Nissan has no basis for claiming that the settlement agreement, per se, bars the opposition. Thus, there is no basis for dismissing the opposition solely because of the settlement agreement.

Nissan's argument may have been intended as asserting a *Morehouse* defense,<sup>7</sup> i.e., that registration of SENTRA CA, for the same goods for which SENTRA is already registered, cannot damage Stoller and, therefore, Nissan is entitled to judgment dismissing the opposition.<sup>8</sup> Such an argument, however, is essentially an argument why summary judgment is appropriate based on Nissan's defense, not on any claim of opposer. Stoller has countered Nissan's argument by referencing the alleged oral promise of Nissan's counsel.

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<sup>7</sup> See *Morehouse Mfg. Corp. v. J. Strickland Co.*, 407 F.2d 881, 160 USPQ 715, 717 (CCPA 1969).

<sup>8</sup> Of course, since Nissan has not yet filed an answer, we do not know precisely what defense, if any, Nissan intends to pursue. *Morehouse* simply presents the most applicable basis for analyzing Nissan's motion.



We do not know, from the arguments that have been presented, whether Stoller intends to try to prove that the oral promise of Nissan's counsel should be considered part of the settlement agreement or a separate, oral agreement. In regard to the former possibility, we note that parol (oral) evidence generally is inadmissible to expand, vary, or explain a written instrument. However, where an ambiguity exists in the instrument that cannot be explained by intrinsic evidence, resort may be had to extrinsic evidence to determine the accurate meaning of the instrument as the parties intended it. As well, evidence of a prior oral statement can add to a written agreement when the agreement is not "completely integrated."

We find there to be genuine issues of material fact as to whether the settlement agreement is fully integrated; whether any separate oral representations were made; and whether, if there were such representations, they constituted a separate oral agreement. Finally, assuming Stoller can prove that the oral representations were made and are either part of the written settlement or a separate agreement, then there is the issue of whether Nissan intended to induce Stoller's entry into the written agreement by the oral representation or Nissan made the statement during negotiations but the parties did not agree to include the provision on future filings in the final

agreement. Under these circumstances, we believe there are genuine issues of material fact for trial and Nissan is not entitled to summary judgment. Nissan's motion for dismissal of the opposition based on the settlement agreement alone, or for summary judgment on its apparent theory that Stoller cannot be damaged by the SENTRA CA application, is hereby denied.

#### TRIAL SCHEDULE

Nissan is allowed THIRTY DAYS from the mailing date of this order to answer the amended notice of opposition. However, Nissan need only answer those allegations that have not been previously stricken (by Board order dated September 12, 2002). Therefore, Nissan need not answer the following paragraphs of the amended notice of opposition but may simply state that they have been stricken: Paragraphs 24, 26, 27, 38, 40, 42, 43, and footnote 1 of paragraph 16. (These correspond in the original petition to paragraphs 11, 13, 13.1, 23, 25, 27, 43, and footnote 1 of paragraph 3.)

The petition to cancel having been dismissed, Nissan is under no obligation to answer the amended petition to cancel.

The close of discovery and trial dates are **reset** as indicated below.

**IN EACH INSTANCE**, a copy of the transcript of testimony, together with copies of documentary exhibits,

must be served on the adverse party within **thirty days** after completion of the taking of testimony. Trademark Rule 2.125.

<b>DISCOVERY PERIOD TO CLOSE:</b>	<b>March 1, 2003</b>
30-day testimony period for party in the position of plaintiff to close:	<b>May 30, 2003</b>
30-day testimony period for party in the position of the defendant to close:	<b>July 29, 2003</b>
15-day rebuttal period for party in the position of the plaintiff to close:	<b>September 12, 2003</b>

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

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