

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

Baxley

Mailed: March 30, 2004

Cancellation No. 92042849

Five Y Clothing, Inc.

v.

Paul Frank Industries, Inc.

Andrew P. Baxley, Interlocutory Attorney:

This case now comes up for consideration of respondent's motion (filed February 27, 2004) to suspend pending disposition of a civil action that it brought in a Federal district court, which it filed in lieu of an answer herein.¹ The motion has been fully briefed.²

Ordinarily, the Board will suspend proceedings in cases before it pending final determination of civil actions that have a bearing on Board cases.³ See Trademark Rule

¹ The civil action at issue is Case No. SA CV03 1242 CJC (MLGR), styled *Paul Frank Industries, Inc. v. Kmart Corporation and Five Y Clothing, Inc.*, filed August 11, 2003 in the United States District Court for the Central District of California.

² Because respondent's reply brief clarifies the issues before the Board, the Board, in its discretion, has considered it. See Trademark Rule 2.127(a).

³ Contrary to petitioner's arguments, the Board typically does not require that an issue be joined (i.e., 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. See TBMP Section 510.02(a) (2d ed. June 2003).

2.117(a). That is primarily because, to the extent that a civil action in a Federal district court involves issues in common with those in a proceeding before the Board, the decision of the Federal district court is binding upon the Board, while the decision of the Board is not binding upon the court. See, e.g., *Goya Foods Inc. v. Tropicana Products Inc.*, 846 F.2d 848, 6 USPQ2d 1950 (2d Cir. 1988).

After a thorough review of the parties' arguments and the complaint in the civil action, the Board finds that suspension is appropriate in this case. To prevail in the district court on its claims of trademark infringement, false designation of origin, and unfair competition, respondent must prove the existence of its trademark rights in its miscellaneous design mark. Thus, if the district court finds that such rights exist, the court's findings will have a bearing on petitioner's claims herein.⁴

⁴ The Board notes that, in the petition to cancel, petitioner alleges that there is no likelihood of confusion between petitioner's apparel designs and respondent's involved mark, that respondent's involved mark is not inherently distinctive and has not acquired distinctiveness, that respondent has violated antitrust laws, and that respondent's use of its involved mark is tantamount to bad faith and unfair competition and amounts to tortious interference with its business relationship with Kmart Corporation.

However, the Board is an administrative tribunal that is empowered only to determine the right to register marks. See Trademark Act Sections 17, 18, 20, and 24, 15 U.S.C. Sections 1067, 1068, 1070, and 1092. Petitioner's allegations that there is no likelihood of confusion do not constitute a ground upon which to cancel a registration. See Trademark Act Section 2(d), 15 U.S.C. Section 1052(d). To the extent that petitioner seeks a declaratory judgment that there is no likelihood of confusion between its apparel designs and respondent's involved mark, the

Likewise, the district court's findings with regard to petitioner's counterclaims, which include a prayer for an order directing the Commissioner for Trademarks to cancel the involved registration, will have a bearing petitioner's claims herein. More importantly, those findings would be binding upon the Board.⁵ See *American Bakeries Co. v. Pan-O-Gold Baking Co.*, 2 USPQ2d 1208 (D. Minn 1986); *Other Telephone Co. v. National Telephone Co.*, 181 USPQ 79 (Comm'r Pats. 1974); and *Whopper-Burger, Inc. v. Burger King Corp.*, 171 USPQ 805 (TTAB 1971).

Therefore, in the interest of judicial economy and consistent with the Board's inherent authority to regulate its own proceedings to avoid duplicating the effort of the district court and the possibility of reaching an

Board is not empowered to grant declaratory judgments. See *Kelly Services Inc. v. Greene's Temporaries Inc.*, 25 USPQ2d 1460, 1464 (TTAB 1992). Further, it is well-settled that the Board has no jurisdiction to adjudicate antitrust, unfair competition, and/or unfair business practice issues. See *Person's Co. v. Christman*, 900 F.2d 1565, 14 USPQ2d 1477, 1481 (Fed. Cir. 1990); *Hershey Foods Corp. v. Cerreta*, 195 USPQ 246, 252 (TTAB 1977); *Yasutomo & Co. v. Commercial Ball Pen Co.*, 184 USPQ 60, 61 (TTAB 1974). See also TBMP Section 102.01 (2d ed. June 2003) regarding the nature of Board *inter partes* proceedings.

⁵ Petitioner argues at length that the civil action should be suspended so that the Board, as the tribunal of primary jurisdiction, can decide issues regarding the registrability of respondent's involved mark. However, inasmuch as the parties' civil action is based in large part on claims that are outside of the Board's jurisdiction, suspension thereof appears likely to prolong the parties' dispute than to expedite its disposition. See *American Bakeries Co. v. Pan-O-Gold Baking Co.*, 650 F. Supp. 563, 2 USPQ2d 1208, 1211 (D. Minn. 1986). Accordingly, the Board finds that the doctrine of primary jurisdiction is not properly invoked under these circumstances.

inconsistent conclusion, respondent's motion to suspend this proceeding pending final determination, (i.e., following the termination of any and all appeals and remands), of the civil action is granted. See Trademark Rule 2.117.

Accordingly, proceedings herein are **suspended** indefinitely, pending final determination of Case No. SA CV03 1242 CJC (MLGR).⁶

Bi-annual inquiry may be made as to the status of the civil action. Within twenty days after the final determination of the civil action, the interested party should notify the Board so that this case may be called up for appropriate action. During the suspension period the Board should be notified of any address changes for the parties or their attorneys.

⁶ The Board notes that the *ex parte* application for suspension of the civil action pending disposition of this case that the defendants in the civil action filed on March 8, 2004 was denied on March 12, 2004. Therein, the district court advised the defendants that they could proceed by way of a regularly noticed motion. If such motion is granted, the Board will entertain a motion to resume this proceeding.