

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

EJW

Mailed: October 9, 2009

Cancellation No. 92051386

Time Plaza, Inc.

v.

Jay-Y Enterprise Co., Inc.

ELIZABETH J. WINTER, INTERLOCUTORY ATTORNEY:

On October 8, 2009, the parties, Time Plaza, Inc. (represented by Jen-Feng Lee of WorldEsquire Law Firm) and Jay-Y Enterprise Co., Inc. (represented by Constance Lindman of Overhauser & Lindman, LLC), and Elizabeth Winter, the assigned Interlocutory Attorney, all participated in a telephone conference regarding respondent's motion to suspend this proceeding pending a civil action between the parties.¹ See Trademark Rules 2.120(i)(1) and 2.127(c); and TBMP § 502.06 (2d ed. rev. 2004). This order summarizes the conference and sets forth the status of the proceeding.

¹ Civil Case No. CV08-07600 FMC (RZx) pending in the United States District Court, Central District of California, between Jay-Y Enterprise Co., Inc. (Plaintiff) versus Time Plaza, Inc., et al (Defendants).

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Respondent argues that suspension is appropriate because the civil action will have a bearing on this cancellation proceeding. Specifically, respondent asserts that the complaint in the civil action involves allegations that petitioner in this proceeding (one of the defendants in the civil action) is infringing on respondent's rights in the involved registration. Respondent also asserts that petitioner has filed a counterclaim in the civil action asking that the district court cancel the registration involved in this proceeding. For these reasons and in the interest of judicial economy, respondent argues that this proceeding should be suspended pending the resolution of the district court action. In support of its motion, respondent provided copies of the second amended complaint, defendants' answer thereto and amended counterclaim, and plaintiff's (respondent herein) answer to the amended counterclaim.

In opposition to the motion to suspend, petitioner essentially argues that the civil action will not be dispositive of the present cancellation proceeding because only the ground that the LOCS mark is merely descriptive will be determined in the civil action; and such action will not determine the issue of fraud or deceptiveness pleaded in this proceeding.

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In reply, respondent argues that while the specific claims involved in each proceeding are not identical, to prevail in the district court, respondent (plaintiff therein) must establish its rights in the involved LOCS trademark. Thus, respondent argues that the district court's determination regarding respondent's asserted rights in the LOCS mark will have a bearing on the fraud claim in this proceeding and will be binding on the Board.

It is the policy of the Board to suspend proceedings when the parties are involved in a civil action that may be dispositive of or have a bearing on the Board case. See *General Motors Corp. v. Cadillac Club Fashions Inc.*, 22 USPQ2d 1933 (TTAB 1992); and Trademark Rules 2.127(a) and 2.117(a), 37 C.F.R. §§ 2.127(a) and 2.117(a). See also TBMP § 510.02 (2d ed. rev. 2004).

Suspension of a Board proceeding is also appropriate even if the civil case may not be dispositive of the Board case, so long as the ruling may have a bearing on the rights of the parties in the Board proceeding. See *Martin Beverage Co. Inc. v. Colita Beverage Company*, 169 USPQ 568, 570 (TTAB 1971). Moreover, 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

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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).

The Board has reviewed the parties' arguments and the pleadings in the civil action. The Board noted during the conference that in paragraph 21 of the amended complaint, respondent (plaintiff in the civil action) asserts its rights in the registration involved in this proceeding, thus, the validity of respondent's registration is at issue. The Board also noted that petitioner (defendant in the civil action) has filed a counterclaim in the civil action seeking cancellation of respondent's registration based on the alleged descriptive nature of the LOCS (stylized) mark (see ¶35, amended answer). Thus, the civil action will involve the issue of the viability of the registration sought to be cancelled in this proceeding and may involve issues regarding the strength of respondent's mark. The resolution of those issues by the Federal district court may, *inter alia*, be dispositive of petitioner's merely descriptive claim and have a bearing on the fraud claim pleaded in this proceeding.

Accordingly, in the interest of judicial economy and consistent with our inherent authority to regulate our own proceedings to avoid duplicating the effort of the court and

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the possibility of reaching an inconsistent conclusion, this proceeding is **SUSPENDED** pending final disposition of the civil action referenced in the subject motion.²

Within twenty days after the final determination of the civil action, the parties shall so notify the Board and call this case up for any appropriate action. During the suspension period, the parties shall notify the Board of any address changes for the parties or their attorneys.

² In view thereof, the Board advised respondent that its answer due October 8, 2009 need not be filed.